



529 Plans & Estate Planning

Your connection to the next generation of clients' families

*As baby boomers initiate the largest intergenerational wealth transfer in history, advisors must attract the next generation of clients **before assets change hands**.*

The estate planning benefits of 529 plans — recently expanded by the 2017 Tax Cuts and Jobs Act — make them a valuable tool for connecting with baby boomers' heirs.



The Challenge

Retaining family business as a new generation takes control



71%

of investors who inherit investments change advisors¹

51%

of advisors do not have a clear strategy to engage with heirs²



64%

of advisors say they need products and solutions optimized for the next generation of clients²



A Solution

Leverage the estate planning benefits of 529 plans to build relationships with clients' children and grandchildren

The Tax Cuts and Jobs Act added significant benefits³:



529 accounts can now fund **private school grades K-12** — in addition to college.



K-12 withdrawals up to **\$10,000 annually per student**.

For advisors, this opens new opportunities to involve clients' children and grandchildren in planning asset transfers to fund education:



More estate money can be exempted from gift taxes and the lifetime gift maximum, through deposits in a 529 plan.



529 drawdowns can start at kindergarten and extend into adulthood.



Heirs have more eligible time to use tax-free 529 money, through primary and secondary school, college and grad school.



Learn more about the wealth management benefits of 529 plans and how to present them to clients on our [SSGA Upromise 529 advisor site](#).

1 Source: State Street Global Advisors Multigenerational Wealth Management Toluna Omnibus Survey, 2015

2 Source: "Money in Motion — Multigenerational Wealth Management": State Street Global Advisors' Practice Management survey of advisors and investors conducted Q1 2015.

3 Carlson, Bob. "Benefits Of 529 Education Accounts Expanded Under 2017 Tax Reform", Forbes. June 16, 2018. Accessed October 5, 2020. <https://forbes.com/sites/bobcarlson/2018/06/16/benefits-of-529-education-accounts-expanded-under-2017-tax-reform/#255924054230>.

ABOUT THE SURVEY

A total of 430 investment professionals completed an online 529 Plans survey, the goal of which was to determine how advisors approach and work with clients to plan for college expenses. The survey was fielded in March 2018. Respondents represented a variety of investment professional segments holding a wide range of assets under management.

FOR PUBLIC USE.

IMPORTANT RISK INFORMATION

For more information about the SSGA U^{promise} 529 Plan ("the Plan") download the Plan Description and Participation Agreement or request one by calling 1-800-587-7305. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Description; read and consider it carefully before investing.

Please Note: Before you invest, consider whether your client's state or your client's beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.

The SSGA U^{promise} 529 Plan (the "Plan") is administered by the Board of Trustees of the College Savings Plans of Nevada (the "Board"). Ascensus Broker Dealer Services, LLC. (ABD) serves as the Program Manager. State Street Global Advisors (SSGA) serves as Investment Manager for the Plan except for the Savings Portfolio, which is managed by Sallie Mae Bank, and also provides or arranges for certain marketing services for the Plan.

The Plan's Portfolios are either (i) powered by SPDR® ETFs—meaning the underlying funds offered for investment options are exchange-traded funds ("ETFs"), and where applicable, mutual funds offered or managed by SSGA Funds Management, Inc.; or (ii) a Federal Deposit Insurance Corporation (FDIC) insured omnibus savings account held in trust by the Board at Sallie Mae Bank. Except for the Savings Portfolio, investments in the Plan are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Standard & Poor's®, S&P® and SPDR® are registered trademarks of Standard & Poor's Financial Services LLC (S&P); Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones); and these trademarks have been licensed for use by S&P Dow Jones Indices LLC (SPDJI) and sublicensed for certain purposes by State Street Corporation. State Street Corporation's financial products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and third party licensors and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability in relation thereto, including for any errors, omissions, or interruptions of any index.

Investing involves risk including the risk of loss of principal. Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, you could lose all or a portion of your money by investing in the Plan, depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

© 2020 State Street Corporation. All Rights Reserved.

State Street Global Advisors Funds Distributors, LLC, member FINRA, SIPC, One Iron Street, Boston, MA 02210.