



**TheEducationPlan.com**  
A little today goes a long way

# THE BENEFITS OF A 529 PLAN ACROSS GENERATIONS

Education savings is an opportunity for multiple generations to invest together with one purpose. Let's look at the benefits a 529 plan can bring to each generation.

## 529 PLANS ARE FLEXIBLE AND HELP POTENTIALLY REDUCE FUTURE DEBT:

Qualified education expenses include: tuition, room and board, technology, apprenticeship expenses, credentialing expenses, student loan repayment, and more.

**DID YOU KNOW?** THE AVERAGE PARENT PLANS TO PAY APPROXIMATELY 65% OF THEIR CHILD'S COLLEGE COSTS, AND 78% ARE ACTIVELY SAVING FOR COLLEGE! A 529 PLAN CAN HELP YOU GET A HEAD START. <sup>1</sup>

**DID YOU KNOW?** FAMILIES CAN USE THEIR 529 PLANS TO COVER UP TO \$20,000 PER YEAR FOR K-12 TUITION AND EXPENSES.<sup>2</sup>



Money saved in a 529 plan may reduce the amount of student loans or financial aid a student needs.

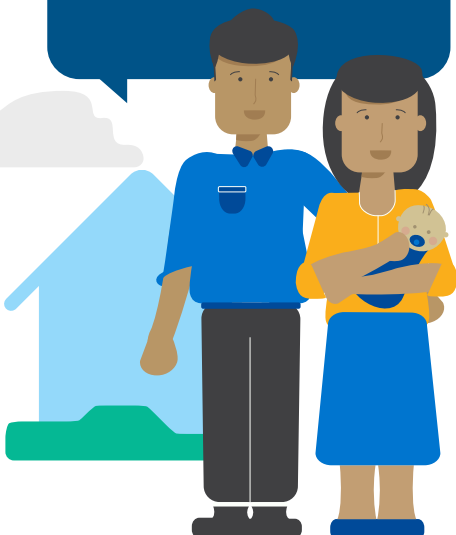
Graduating with less debt may help with future expenses such as buying a home or starting a family.

## BENEFITS TODAY, BENEFITS TOMORROW

Starting early can make a big difference. The earlier you invest, the more your education savings can potentially grow due to the power of compounding interest.

If one child doesn't attend college or receives a scholarship, savings can be transferred to an eligible family member (a sibling or even yourself).

New Mexico residents can deduct contributions to The Education Plan from their state taxable income.



## ENHANCE ESTATE PLANNING WHILE EMPOWERING FUTURE GENERATIONS



Move assets out of your estate into a grandchild/beneficiary's name while retaining control of the assets.

Fund a 529 plan with your required minimum distributions (RMDs)

**DID YOU KNOW?** YOU CAN CONTRIBUTE UP TO \$95,000 (\$190,000 FOR MARRIED COUPLES) IN ONE LUMP SUM PER BENEFICIARY, FREE OF FEDERAL GIFT TAXES, UNDER A PROVISION KNOWN AS "5-YEAR ACCELERATED GIFTING".<sup>4</sup>



## ADDITIONAL 529 PLAN BENEFITS

Qualified withdrawals are free from federal taxes and may also be free from state taxes.<sup>2</sup>

Contribute up to \$19,000 per beneficiary annually (\$38,000 filing jointly).<sup>4</sup>

Available to everyone, regardless of income.

529 plan earnings grow tax deferred.

## TO LEARN MORE ABOUT THE EDUCATION PLAN 529 PLAN, VISIT [THEEDUCATIONPLAN.COM](https://theeducationplan.com)

For more information about The Education Plan, call 1.877.337.5268 or visit [theeducationplan.com](https://theeducationplan.com) to obtain a Plan Description and Participation Agreement, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing. Please Note: Before you invest, consider whether your or the 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. You also should consult a financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact directly your home state's 529 plan(s), or any other 529 plan, to learn more about those plan's features, benefits and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

The Education Plan is administered by The Education Trust Board of New Mexico. Ascensus College Savings Recordkeeping Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services. The Education Plan's portfolios invest in: (i) mutual funds; (ii) exchange traded funds; and/or (iii) a funding agreement issued by New York Life. Investments in The Education Plan are not insured by the FDIC. Units of the portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the portfolios you choose. You could lose all or a portion of your money by investing in The Education Plan depending on market conditions. Account owners assume all investment risks as well as responsibility for any federal and state tax consequences. Ugift is a registered service mark of Ascensus Broker Dealer Services, LLC. The Education Plan® and The Education Plan® Logo are registered trademarks of The Education Trust Board of New Mexico used under license. All other marks are the exclusive property of their respective owners.

(1) <https://institutional.fidelity.com/app/literature/flyer/9893080/college-savings-indicator-key-findings.html> (2) 529 plans offer many advantages to investors saving for education, including tax deferred earnings and tax-free qualified withdrawals. Additionally, certain states offer state income tax benefits. It is important to review all potential tax benefits within your state, along with the performance and expense information of the 529 plan you are considering, before making a selection. Earnings on non-qualified withdrawals may be subject to federal income tax as well as state and local income taxes. Taxes and other benefits are contingent upon certain requirements and certain withdrawals are subject to federal, state and local taxes. (3) Beginning in 2023, the SECURE 2.0 Act raised the age that you must begin taking RMDs to age 73. You generally must start taking withdrawals from your traditional IRA, SEP IRA, SIMPLE IRA, and retirement plan accounts when you reach age 72 (73 if you reach age 72 after Dec. 31, 2022). (4) Contributions to a 529 plan for a beneficiary are considered gifts for tax purposes. The federal annual gift tax exclusion amount is effective for tax year 2026.

Not FDIC-Insured. No Bank, State or Federal Guarantee. May Lose Value.

