

fact or fiction

fiction: A 529 plan can only be used in my home state

fact: You can use the assets at any eligible school around the country and abroad, including 2- and 4-year colleges, graduate schools, and vocational/technical schools.

fiction: If the child doesn't go to college, I lose money

fact: As the account owner, you control the assets in the account. If a child doesn't go to college you can: change your beneficiary to another eligible "member of the family" (as per Plan rules); leave the money in the account for a later date; or withdraw the money for other uses (penalties may apply).¹

fiction: I can only choose from aggressive investment options

fact: CollegeChoice Advisor offers a range of investments from which you and your financial advisor can create a strategy that suits your needs, including conservative investment options.

fiction: I'll just borrow the money later

fact: A 529 college savings plan, like CollegeChoice Advisor, can make a difference in the amount of debt a student faces after graduation. For example, if a family invested \$100/month after their child's birth, in 18 years (assuming a 5% annual rate of return), they could potentially save over \$35,000.² However, if that student had to borrow \$35,000, based on a private student loan rate of 8.5%, he or she could be faced with a monthly payment of \$435 for 10 years.³

fiction: I can only use 529 plans to pay for tuition

fact: You can use your CollegeChoice Advisor assets for many higher education expenses, including tuition, fees, and certain room and board costs.

fiction: It's too late to start a 529 plan account

fact: Even if your student is in high school, you can take advantage of a 529 plan's tax benefits. In addition, the more you manage to save now, the less you'll have to borrow later.



CollegeChoiceAdvisor
529 SAVINGS PLAN

collegechoiceadvisor529.com

¹ Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

² A plan of regular investment cannot assure a profit or protect against a loss in a declining market.

³ This hypothetical illustration does not represent the return on any particular investment.

fiction: 529 plan accounts are too small to make a difference

fact: You can contribute up to a maximum of \$298,770 in a CollegeChoice Advisor account. There are also attractive tax and estate-planning benefits:

- Indiana taxpayers are eligible for a state income tax credit of 20% of contributions to a CollegeChoice Advisor account, up to \$1,000 credit per year.⁴
- Accelerated gifting allows you to make five years of contributions (\$70,000 if single/\$140,000 if married, filing jointly) in a single year without incurring gift taxes.⁵ You can also make annual contributions of \$14,000 (\$28,000 if married, filing jointly) in a single year without incurring a gift tax.

fiction: Grandparents can't be account owners

fact: Almost anyone can be an account owner, not only parents. In fact, grandparents are increasingly turning to 529 plans because of their benefits, including federal and state tax advantages; control over the assets (unlike UGMA/UTMAs); an opportunity to put "Required Minimum Distribution" (RMD) assets to work in a tax-advantaged investment program; and the creation of a living legacy of education.

fiction: A 529 plan will have a negative impact on financial aid opportunities

fact: 529 plan assets are generally treated as belonging to the account owner, not the student, so they typically have less of an impact on federal financial aid eligibility than many other types of college savings methods. If the account owner is a dependent student, 529 plan assets are considered parental assets. If the account owner is an independent student, 529 plan assets are considered assets of the student and can have a larger impact.⁶

RESOURCES

WANT TO LEARN MORE?

Contact your financial advisor or visit collegechoiceadvisor529.com

⁴ This credit may be subject to recapture from the account owner (not the contributor) in certain circumstances, such as a rollover to another state's qualified tuition program or a non-qualified withdrawal. Please note that, effective January 1, 2010, the Indiana state income tax credit will no longer apply to rollovers from another state's qualified tuition program or to transfers from the Upromise service into a CollegeChoice Advisor account. All other contributions will continue to be eligible for the tax credit to the extent previously allowable.

⁵ In the event the donor does not survive the five-year period, a pro-rated amount will revert to the donor's taxable estate. For more information, consult your tax advisor or estate-planning attorney.

⁶ Financial aid programs offered by educational institutions and other non-federal sources may have their own guideline for the treatment of 529 plan accounts. For complete information about financial aid eligibility, you should consult with a financial aid professional and/or the state or educational institution offering a particular financial aid program, since rules and regulations often change.

For more information about the CollegeChoice Advisor 529 Savings Plan (CollegeChoice Advisor), contact your financial advisor, call 1.866.485.9413, or visit www.collegechoiceadvisor529.com to obtain a Disclosure Statement, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing. Ascensus Broker Dealer Services, Inc. (ABD) is Distributor of CollegeChoice Advisor.

If you are not an Indiana taxpayer, 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.

CollegeChoice Advisor is administered by the Indiana Education Savings Authority (Authority). ABD, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services, and marketing. CollegeChoice Advisor's Portfolios invest in: (i) exchange-traded funds; (ii) mutual funds; or (iii) an FDIC-insured omnibus savings account held in trust by the Authority at Sallie Mae Bank. Except for the Savings Portfolio, investments in CollegeChoice Advisor are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of the units will vary with market conditions.

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, depending on market conditions, you could lose all or a portion of your money by investing in CollegeChoice Advisor.

Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

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Not FDIC-Insured (except for the Savings Portfolio). No Bank, State, or Federal Guarantee. May Lose Value.

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