

# Frequently Asked Questions

---

## What is a 529 Plan?

A 529 plan is a tax-advantaged education investment plan designed to grow savings for future education expenses for a specified beneficiary. 529 plans offer unique benefits and features that make them a very appealing strategy for education planning that can significantly reduce the burden of student loan debt.

---

## Why should I use a plan with The Education Plan?

The Education Plan offers a practical way of approaching education savings. Plan highlights include:

- **Streamlined portfolio options:** Our enhanced investment menu features fewer, yet more diversified options. Enrollment year-based portfolios help make choosing a suitable investment strategy easier.
  - **Expertise:** Ascensus College Savings manages The Education Plan. With over 4.5 million accounts administered, Ascensus brings a wealth of experience to help improve your saving experience.
  - **Lower cost:** Our total asset-based fees are just 0.10-0.44%.
  - **Gifting opportunities:** We offer access to Ugift and Upromise. Ugift allows you to easily and securely share your 529 plan account information with family, friends and coworkers, giving them the opportunity to make gift contributions online. Upromise lets members earn back a percentage of qualified spending, which can be deposited into their 529 account.
  - **Flexibility:** you can open an account with just \$1 and contribute what you want, when you want. Account changes, contributions and withdrawals are easy to manage online and beneficiaries and ownership are transferable.
- 

## Who can be a beneficiary?

Any person with a valid Social Security number can be the beneficiary of a 529 plan. The beneficiary and the account owner don't need to be related. An account owner can open a 529 plan for themselves or a family member or friend.

An account owner may change the beneficiary at any time. There are no tax consequences if you change the beneficiary to a family member of the current beneficiary. However, you should consult with your tax professional regarding your specific circumstances.

---

## Who can be an account holder?

Any person over 18 with a valid Social Security number may open an account. The account holder selects the investment options, the beneficiary, and requests the distribution of funds.

---

## Can money be rolled over from another plan?

Yes. The account owner can roll over funds from one 529 plan to another with certain limitations. If you are a current account owner, download our rollover form.

---

## Can a 529 be used for education other than college?

Yes. A 529 plan can be used for four-year colleges and universities, vocational school, community college, some foreign institutions, and qualified kindergarten through 12th-grade tuition (non-qualified in NM).

---

# Frequently Asked Questions

---

## What education savings options are available?

There are several types of savings options available:

- 529 plans
- UGMA/UTMA
- Coverdell Education Savings Accounts (CESAs)
- Series EE Savings Bonds
- Taxable Savings Accounts

## How much money should I save for college?

The cost of college continues to rise, including tuition, housing, food and supplies, so it's important to begin saving as soon as possible. It's never too early or too late to start.

## How do I withdraw money from the 529 plan?

To make a withdrawal from your account with The Education Plan, download our withdrawal request form or contact us at 1-877-337-5268, Monday through Friday, 8:00 a.m.– 7:00 p.m. MT.

## What is a qualified expense?

Qualified expenses include: tuition and fees, books, supplies and equipment, and room and board for beneficiaries attending on at least a half-time basis.

529 Plan account withdrawals used for qualified expenses of the beneficiaries that are incurred at eligible institutions such as four year colleges and universities, vocational school, community college and some international schools are generally state and federally tax free. Consult with your tax professional for more information about your home state's tax rules.

## Should I use student loans or a 529 plan?

Many students and their families use student loans. But saving using a 529 plan can help students finance a debt-free education. Student loans need to be paid back, while 529 plans offer the opportunity to save as little or as much as you like.

## How does a 529 plan impact financial aid?

A 529 plan typically has a minimal effect on financial aid, but it varies by situation. Federal financial aid is a needs-based award and is determined by the cost of attendance (the total amount school will cost for one year) and the expected family contribution (based upon the income and assets of both the parents and the student).

A 529 plan does not count as an asset of the beneficiary. If a 529 plan is held by the parents, it does count as an asset of the parents. If the 529 plan is owned by someone else, such as a grandparent, the 529 plan does not count as an asset of the beneficiary. However, the amount withdrawn from a 529 plan owned by someone else, such as a grandparent, is considered income of the beneficiary when it is withdrawn on the beneficiary's behalf. This may impact any potential financial aid in following years.