



EDUCATION PLANNING

Their path to success starts with saving today.

You work hard to give your children the future they deserve. Amplify your impact with a strategic, tax-advantaged 529 savings plan for their education.

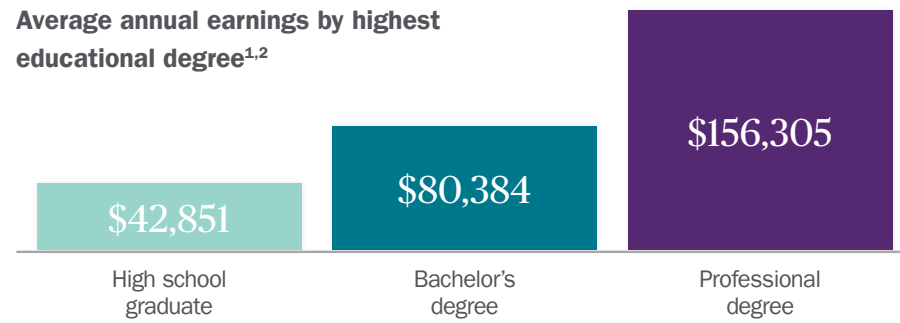


Education is important – *and expensive.*

You'll face a number of decisions throughout your children's lives. Where they'll go to school, and the kind of education they'll receive is one of the most important. A high-quality education helps open doors for life, with a bachelor's degree nearly doubling their average annual earnings (88% higher).^{1,2}

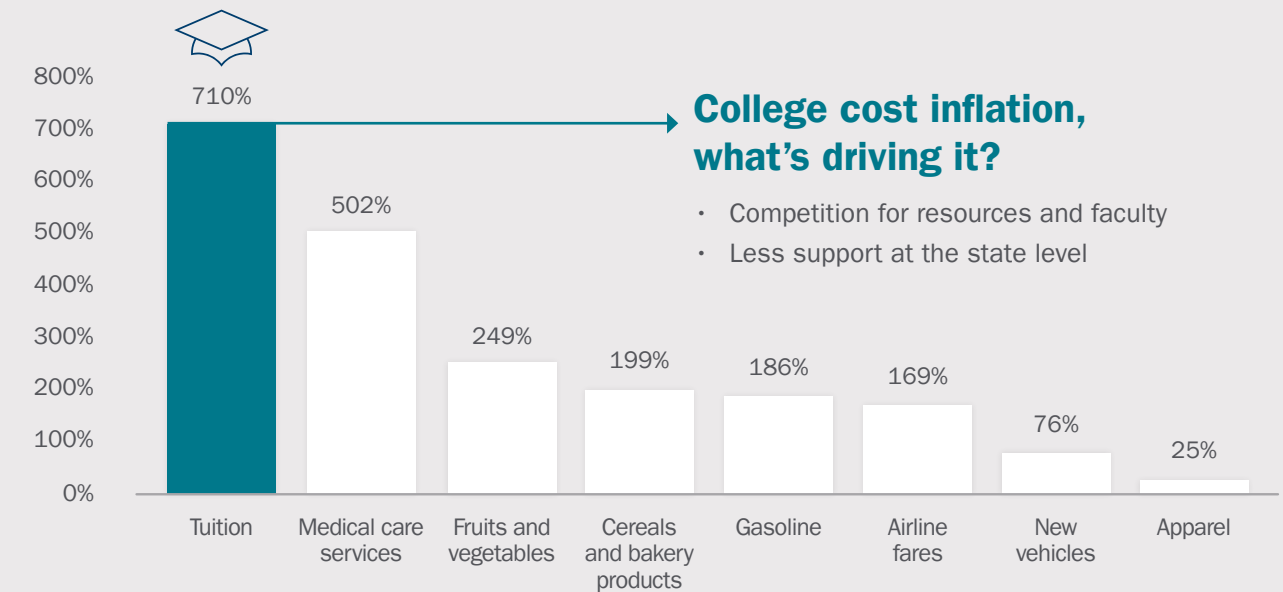
However, tuition costs continue to rise. Between 1986 and 2021, college tuition increased by 710%.^{2,3} A private, four-year college now costs 54% more than in 2000.⁴ Bringing education costs within reach takes a fair amount of planning — but it is possible.

Average annual earnings by highest educational degree^{1,2}



Tuition costs have spiked versus other expenses.^{2,3}

Cumulative price change (%)



Plan ahead to give your kids the best opportunities.

If you want a world of possibilities available to your child, start saving for education as soon as possible. The more strategic you are about funding education today, the better prepared you'll be for whatever goals your child pursues tomorrow.

Understanding 529 plans.

A 529 plan is a tax-advantaged savings plan designed to encourage saving for future education costs. 529 plans, or "qualified tuition plans," are sponsored by states, state agencies, or educational institutions and are authorized by Section 529 of the Internal Revenue Code.



At any age and life stage, your financial advisor can guide you through the process and help make saving for education part of your financial plan.

*Currently, a person who chooses to contribute the maximum amount in one year under the five-year carry forward rule for 529 plans would not be able to give additional gifts to that person during the five-year period without filing a gift tax return.

Make education funding a family effort.

You don't have to fund your plan alone. Grandparents and relatives are often looking for ways to get involved but don't know how. Beyond contributing to your children's future and giving them a meaningful gift, there are also benefits for your family members.

- Annual gift tax exclusion with five-year carry forward*
- Helps to reduce their taxable estate
- Can reduce the tax liability of trusts





Flexibility and versatility for whatever the future holds.

Every child is different and has their own hopes and dreams. No matter what path they go down, planning ahead ensures kids can receive the education they seek. The decisions you make today can help them graduate in their chosen field without the heavy burden of excessive student loan debt.

529 qualified expenses include:*

- ✓ College tuition
- ✓ Elementary and secondary school tuition
- ✓ Room, board, and fees
- ✓ Books, equipment, and supplies
- ✓ Computer software and internet access
- ✓ Student loan repayment
- ✓ Apprenticeship program
- ✓ Special needs services

*IRS Publication 970: Tax Benefits for Education. Program-relevant expenses covered. Check IRS publications if specific uses are covered.

The Advantages of a 529 Plan



Investments grow tax-deferred



The account owner retains control



Federal tax-exempt withdrawal of earnings for qualified expenses of the beneficiary



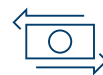
Change beneficiaries to any family member



No limitations on age, time or income



Many states offer deductions or tax credits for contributions



Unused assets of up to \$35,000 can be rolled over into a Roth IRA tax- and penalty-free*



Minimal impact on financial aid

Additional Considerations

Withdrawals from a 529 plan that are not used for the beneficiary's qualified education expenses are taxed and penalized (the earnings portion of the withdrawal is subject to a 10 percent federal penalty and is taxed at the income tax rate of the person who receives the withdrawal).

529 savings plans may limit your investment choices to the pre-established investment portfolios offered by the plan; you may not have an opportunity to choose your investments.

*Starts in 2024. Assets must be maintained for at least 15 years for a designated beneficiary to be directly rolled over on a tax-free basis to a Roth IRA maintained for the benefit of the beneficiary. The rollover is treated as a contribution subject to the limit on IRA contributions. A lifetime limit of \$35,000.

We're here to help with your 529 plan.

Your financial advisor can help you choose the right plan for you and tailor it to your goals. As your needs and timeline change, we can help modify and adjust contributions so you feel more confident about your child's future.

Your financial advisor can also help you:

- Determine future education funding needs with a timeline and action plan
- Evaluate college savings options based on state tax benefits and all available investment options
- Find a plan that meets your objectives
- Apply funding strategies such as dollar-cost averaging through automated contributions
- Review your progress toward your goals on an ongoing basis

Reach out to get started.



1. U.S. Census Bureau. Current Population Survey. Data for 2021 based on mean earnings for workers age 18 and older.
2. College Board. Trends in College Pricing 2022. Tuition is based on the price increase from 1986/87 to 2021/21.
3. U.S. Bureau of Labor Statistics, December 2022. All other inflation figures based on original base value of 100 in 1982-1984 up until December 2022.
4. College Board. Trends in College Pricing 2019.

Clients should carefully consider the investment objectives, risks, charges, and expenses associated with a 529 Plan before investing. More information regarding a particular 529 Plan is available in the issuer's official statement, which may be obtained from an Ameriprise Financial advisor. Investors should read the 529 Plan's official statement carefully before investing. Clients should also consider, before investing, whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds or protection from creditors that are only available for investments in such state's qualified tuition program.

Clients contributing to a 529 Plan offered by a state in which they are not a resident, should consider, before investing, whether their, or their designated beneficiary(s) home state offers any state tax or other state benefits such as financial aid, scholarship funds or protection from creditors that are only available for investments in such state's qualified tuition program.

Ameriprise Financial, Inc. and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

Be sure you understand the risks, in addition to the potential benefits, of an IRA rollover or transfer before implementing. As with any decision that has tax implications, you should consult with your tax advisor prior to implementing an IRA rollover or transfer.

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