

Final 2024 Tax Reminders



Did you contribute to your CollegeCounts 529 Advisor account in 2024?

- ▶ Alabama taxpayers may be eligible for a state income tax deduction up to \$5,000 for individuals or \$10,000 if married, filing jointly and both spouses contribute.¹
- ▶ Review your 2024 Contribution Summary by logging into your account at CollegeCounts529advisor.com and selecting "Statements/Tax Forms". Please review your bank records and account statements to determine your total 2024 contributions.



Did you make a large gift contribution in 2024 (i.e. over \$18,000)?

- ▶ Contributions to a CollegeCounts 529 account over \$18,000 (\$36,000 if married) may require IRS Form 709 to be filed with your taxes.
- ▶ Discuss any large gifts and reporting requirements with your tax and financial advisors.
- ▶ The gift tax exclusion increased to \$19,000 (\$38,000 if married) beginning January 1, 2025.



Did you withdraw from your CollegeCounts 529 Advisor account in 2024?

- ▶ Withdrawals requested in 2024 are reported on IRS Form 1099-Q. CollegeCounts mailed IRS Form 1099-Q in late January. It is also available via your online access at CollegeCounts529advisor.com.
- ▶ The 1099-Q is issued to the Account Owner for any distributions paid directly to the Account Owner. For any distributions paid directly to the Beneficiary OR the college, the 1099-Q is issued to the Beneficiary.

Keep documentation of your contributions, withdrawals and expenses and check with your tax professional if you have questions on filing requirements.

Graduation Gift Idea

With graduation right around the corner, consider suggesting a contribution to your CollegeCounts 529 Advisor account to any friends or family members who may ask what your student needs.

CollegeCounts GiftED is a simple and secure way for others to contribute to your CollegeCounts 529 Advisor account, and contributions by Alabama taxpayers may be eligible for an Alabama state income tax deduction.¹

For more details, visit:

CollegeCounts529advisor.com/benefits/make-a-gift.

Vocational & Trade Schools

If your child is interested in a technical or trade school instead of the traditional 4-year college, there are many options available to them. Your 529 funds can be used tax free for qualified expenses at any trade or vocational school that is accredited and eligible to receive Federal financial aid.² You can use FAFSA's school search feature to find schools that may be eligible by going to studentaid.gov/fafsa-apply/colleges.

For more information about what expenses might be qualified, visit CollegeCounts529advisor.com/plan-benefits/use-of-funds or speak with your tax professional.

Updated Business Hours

Effective May 1, 2025 CollegeCounts customer service representatives will be available 7am to 6pm CT Monday through Friday.

Test Your Knowledge!

1. Which of these can be an account owner?
 - A. Parent
 - B. Grandparent
 - C. Sibling (at least 19 years old)
 - D. Friend
 - E. All of the above
2. What is one of the primary advantages of contributing to a CollegeCounts 529 account?
 - A. Contributions by Alabama taxpayers may be eligible for an Alabama state income tax deduction.¹
 - B. Earnings have the potential to grow tax-deferred and withdrawals for qualified expenses are tax-free.²
 - C. Funds can be used at wide variety of schools nationwide.
 - D. There are diverse investment options available to suit different types of investors.
 - E. All of the above

The CollegeCounts 529 Fund Advisor Plan is a qualified tuition program under Section 529 of the Internal Revenue Code that is offered by the State of Alabama and administered by the Board of Trustees of the ACES Trust Fund (the "Trust" and plan issuer). Union Bank and Trust Company serves as Program Manager and Northern Trust Securities, Inc., acts as Distributor. Union Bank and Trust Company is registered as a municipal advisor with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). Except for any investments made by a Participant in the Bank Savings 529 Portfolio up to the limit provided by Federal Deposit Insurance Corporation ("FDIC") insurance, neither the principal contributed to an Account, nor earnings thereon, are guaranteed or insured by the FDIC, the State of Alabama, the State of Alabama Treasurer, the Board, the Trust, the Program, Union Bank and Trust Company, Northern Trust Securities, Inc., or any other entity. Investment returns are not guaranteed and you could lose money by investing in the Plan.

An investor should consider the investment objectives, risks, and charges and expenses associated with municipal fund securities before investing. This, and other important information, is contained in the fund prospectuses and the CollegeCounts 529 Fund Advisor Plan Program Disclosure Statement (issuer's official statement), which can be obtained from a financial professional and on CollegeCounts529advisor.com and should be read carefully before investing. You can lose money by investing in a portfolio. Each of the portfolios involves investment risks, which are described in the Program Disclosure Statement.

An investor should consider, before investing, whether the investor's or designated beneficiary's home state offers any state tax or other benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan. Investors should consult a tax advisor.

¹ Individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to \$5,000 per tax year (\$10,000 for married taxpayers filing jointly if both contribute) for total combined contributions to the Plan and other State of Alabama 529 programs. The contributions made to such qualifying plans are deductible on the tax return of the contributing taxpayer for the tax year in which the contributions are made. In the event of a Nonqualified Withdrawal from the Plan, for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount of the Nonqualified Withdrawal plus ten percent (10%) of such amount withdrawn. Such amount will be added back to the income of the contributing taxpayer in the tax year that the Nonqualified Withdrawal was distributed. Please consult with your tax professional.

² Withdrawals used to pay for qualified higher education expenses are free from federal and Alabama state income tax. Qualified higher education expenses include tuition, fees, books, supplies, and equipment required for enrollment or attendance; certain room and board expenses incurred by students who are enrolled at least half-time; the purchase of computer or peripheral equipment, computer software, or internet access and related services, if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; certain expenses for special needs services needed by a special needs beneficiary; apprenticeship program expenses; payment of principal or interest on any qualified education loan of the Beneficiary or a sibling of the Beneficiary (up to an aggregate lifetime limit of \$10,000 per individual); and up to \$10,000 per year in K-12 Tuition Expenses. The earnings portion of a Nonqualified Withdrawal is subject to federal income tax and 10% federal penalty tax. In addition, Alabama provides in the event of a Nonqualified Withdrawal an amount that must be added back to the income of the contributing taxpayer. The amount to be added back will be the amount of the Nonqualified Withdrawal plus 10% of the amount withdrawn.

Save Early, Save Often

When saving for future education expenses, saving early and often can help you with your long-term investment goals. CollegeCounts offers a number of quality fund families, investment options, and tax benefits to help you make your dreams a reality.

Concentrate on your long-term goals and maintain consistent saving habits rather than focus on potential market unpredictability. We recommend speaking with your trusted financial advisor for personalized guidance in creating and maintaining your financial plan.

CollegeCounts Financials

Every year, an independent accounting firm performs an audit of the financial statements of the CollegeCounts 529 Fund Advisor Plan.

If you would like to see the latest audited financial statements, visit CollegeCounts529advisor.com and select "FAQ's" at the top of the page. You will find a link to the audited financials under the question, "Where can I obtain a copy of the audited financial statements?"

ANSWERS

2. E. All of the above!

1. E. All of the above! The account owner is typically a parent or grandparent of the student but could be anyone who wishes to help the student achieve their educational goals.

NOT FDIC INSURED* / NO BANK GUARANTEE / MAY LOSE VALUE
(*except the Bank Savings 529 Portfolio underlying investment)

"Those who keep learning, will keep rising in life."

— Charlie Munger


CollegeCounts
ADVISOR-GUIDED 529 FUND