**Tax Advantages of 529 Accounts**

Sample Op-Ed

What is your favorite holiday? Christmas? Thanksgiving? National Dog Mom’s Day? (May 14th if you want to celebrate.) Tax Day? I am not sure anyone would volunteer that Tax Day is their favorite holiday of the year. Most look at it as a burden to gather documents and roll the dice if they will be receiving a refund or owing more in taxes. Not exactly something to look forward to!

While there are many ways to prepare for Tax Day throughout a year and set yourself up for a less stressful period of time, have you considered your savings for education as one of those options? A 529 plan is a tax-advantaged investment plan designed to help families save for a beneficiary’s future higher education expenses and in some states; K-12 and certain technical and career college programs.

What specifically are those tax advantages? The money invested grows free from federal and state income-tax. And many states also exempt withdrawals from state income-tax for qualified expenses. {INSERT STATE SPECIFIC TAX INCENTIVE}

Benefits abound as you save and invest in a 529 program but then what are the benefits once you are ready to withdraw your money? All withdrawals form a 529 plan are exempt from federal income tax when used for qualified expenses. Qualified higher education expenses include tuition, mandatory fees, books, supplies, and equipment required for enrollment or attendance. Room and board expenses are also eligible for students enrolled half-time or more.

The advantages continue if you are able to contribute thousands to an account. An individual may contribute up to $16,000 annually, $32,000 for married couples filing jointly, without paying gift taxes or filing a gift tax return. A person can also accelerate up to five years’ worth of the annual exclusion amount and reduce the value of your estate by contributing up to $80,000, or $160,000 for married couples filing jointly, per beneficiary. This amount is subject to “add-back” in the event of the participant’s death within five years and assumes no other gifts are made to the same beneficiary during the same period.

No matter your ability to save, if that be $1 a month or $16,000 a year, 529 plans provide some much-needed reprieve during tax season. Consider adding 529 plans to your financial portfolio today!