**Tax Advantages of 529 Accounts**

Social Media

Are you anxiously waiting to see if you will receive a tax refund this year? Guarantee an advantage in taxes by investing in a {INSERT STATE PLAN} and having your money grow tax deferred. Learn more here:

DYK that all withdrawals from a 529 plan are exempt from federal income tax when used for qualified expenses? Learn about more advantages here: <https://www.collegesavings.org/plan-advantages/>

Gathering up all your tax documents? When investing in a 529 plan all money grows free from federal and state income-tax.

Speaking with your financial advisor soon? Many financial planners, tax accountants, and other financial advisors recommend 529 plans to their clients as a program that may fit their college planning needs. Consult with an advisor to see if 529 plans would be best for you!

During tax season, are you always reviewing financial options? A 529 plan is a tax-advantaged investment plan designed to help families to save for a beneficiary’s future higher education expenses. Now that’s something worth investing in!

Sample Press Release

Filing taxes? A great time to consider future tax savings

**(April XX, 2023, LOCATION)** – Saving money in either a traditional 529 college savings account or in a 529a (ABLE) account can result in tax benefits {INSERT LOCAL WORD LIKE HOOSIERS} can rely upon year after year when filing their taxes.

When investing in any 529 or ABLE account, these tax benefits can be realized by account owners:

* All withdrawals are exempt from federal income tax when used for qualified expenses.
* All money grows free from federal and state income-tax.
* Many states also tax-exempt withdrawals from state income-tax for qualified expenses.

Learn about more of the advantages to investing in a 529 account by visiting: <https://www.collegesavings.org/plan-advantages/>.

As of December 2022, over 16 million 529 accounts are being invested in throughout the United States and over 137,000 ABLE accounts are giving Americans living with a disability more financial freedom and autonomy.

{INSERT STATE SPECIFIC 529 or ABLE TAX ADVANTAGES}

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. While commonly referred to as 529 plans, they are formally known as “Qualified Tuition Programs,” as defined in Section 529 of the Internal Revenue Code, and are administered by state agencies.

ABLE accounts foster person-centered independence, build self-reliance, encourage employment, and improve quality of life. Contributions to ABLE accounts can come from earnings, family, friends, and other sources. Earnings on ABLE accounts are tax-deferred, and withdrawals are tax-free if they are used for qualified expenses.

To learn more about either of these programs and the impact investing in them can have on your taxes, please contact {INSERT STATE STAFF CONTACT}.

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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!

Resources

Advantages and Benefits for 529 accounts: <https://www.collegesavings.org/plan-advantages/>

Common Questions about 529s: <https://www.collegesavings.org/plan-advantages/>

Search and Compare 529 plans: <https://www.collegesavings.org/529-search-and-comparison/>