

End the Year on a High Note:

## Maximize Your 2025 Tax Savings

As 2025 winds down and holiday plans ramp up, there's one deadline you won't want to miss. Contributions received by CollegeCounts on or before December 31<sup>st</sup> may be eligible for an Alabama state income tax deduction.<sup>1</sup>

Contributions by Alabama taxpayers may be eligible for an Alabama state income tax deduction up to \$5,000 for individuals, or up to \$10,000 if married, filing jointly and both spouses contribute.<sup>1</sup>

Contributions sent by mail must be dated and postmarked by December 31<sup>st</sup> to qualify as a 2025 contribution. Similarly, 2025 contributions made online must be completed by 11:59 pm CT on December 31<sup>st</sup>.

Every dollar you contribute before the ball drops on New Year's Eve could offer potential tax benefits—while also helping set your child up for future success.

We recommend reaching out to your tax professional with any tax-related questions.



Manage Your 529  
on Your Time:

## Withdraw Online with Ease

Accessing your CollegeCounts Advisor account online is easier than ever—and it puts you in control of your college savings with just a few clicks.

Need a withdrawal for a 2025 college expense?<sup>2</sup>

**Save time, skip the phone call** – just log into your account at [CollegeCounts529advisor.com](https://CollegeCounts529advisor.com) and request withdrawals for qualified expenses whenever it fits your schedule.<sup>2</sup>

***If you haven't set up online access yet, now is the perfect time to get started.***

**We recommend requesting any withdrawals for 2025 qualified expenses by 3 pm CT on December 31<sup>st</sup>.** It is our understanding that qualified expenses and withdrawals should be matched in the same calendar year for tax purposes. We recommend keeping all receipts, invoices, and documentation of your qualified expenses in the event of questions or audit.<sup>2</sup>

Be sure to discuss any tax-related questions you may have with your tax professional.



# CollegeCounts Scholarship–Applications Accepted Beginning December 1<sup>st</sup>

*Do you know a student who will be starting college in fall 2026 at an Alabama college or university?*

Encourage them to apply for the CollegeCounts Scholarship.

Starting December 1<sup>st</sup>, applications will be accepted for the 2026–2027 school year. Selected recipients may receive:

- 💰 Up to \$2,000 for students attending a 2-year Alabama college
- 💰 Up to \$4,000 for students attending a 4-year Alabama college

Each year, CollegeCounts aims to award at least two scholarships in every county across Alabama to students with financial need—helping them take the next step toward a brighter future.

📅 **Application period:** December 1, 2025 – February 28, 2026

🔗 **Learn more and apply at:** [Treasury.Alabama.Gov/CollegeCounts-Scholarship](https://Treasury.Alabama.Gov/CollegeCounts-Scholarship)

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](https://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.**

<sup>1</sup>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 actually contribute) for total combined contributions to the Plan and other State of Alabama 529 plans. 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.

<sup>2</sup>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); up to \$10,000 in 2025 (increasing to \$20,000 in 2026) in K-12 Expenses; and Qualified Postsecondary Credentialing 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 ten percent (10%) of the amount withdrawn.

<sup>3</sup>Rollovers from another qualified tuition program are treated as a non-taxable distribution from the distributing qualified tuition program provided (1) it has been more than 12 months since any previous rollover for the beneficiary, or (2) the beneficiary of the account is changed to a Member of the Family of the current beneficiary.

## Rollover Your Out-of-State 529 Plan Before Year-End

As the end of the year approaches, it’s the perfect time to review your college savings strategy. If you have an out-of-state 529 plan, consider a rollover into your CollegeCounts Advisor account that could make managing your child’s future education expenses easier and more efficient.

Why consolidate now?

- ▶ **Streamlined management:** Fewer accounts mean less paperwork and easier tracking.
- ▶ **Potential tax benefits:** Contributions made to CollegeCounts by December 31<sup>st</sup> may qualify for an Alabama state income tax deduction <sup>1,3</sup>
- ▶ **Simplified withdrawals:** One account means one login, one process, and less stress when it’s time to pay tuition.

Whether you’re saving for next semester or years down the road, consolidating your 529 accounts now can help you start the new year with clarity and confidence.

When considering a rollover make sure to review the various advantages and disadvantages with your tax and financial advisor, including any potential recapture of tax deductions received from the original state, as well as whether any penalties or charges may apply.



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

**“Behind every young child who believes in themselves is a parent who believed first.”**

  
**CollegeCounts**  
ADVISOR-GUIDED 529 FUND