

2nd Quarter 2014

## Withdrawals For College - Plan Ahead!

The new college year is quickly approaching. Please make sure you are prepared. At CollegeCounts we make it easy to pay college expenses. Here is an overview:

**1. Plan ahead. Don't wait until the last minute.** We suggest that you request the withdrawal 7-10 days in advance of the due date. Why? We will process withdrawals received by 3pm CST on any business day the same day we receive it. The funds will be sold that night and a check will be sent first thing the following business day. Please allow U.S. Postal mail time and time for the college to process the payment. While we disperse the funds right away – the mail and college processing time can add 5-7 days to the process.

**2. Request the withdrawal online.** Our online system is fast and easy to use. If you have questions regarding logging into your account and requesting a withdrawal – feel free to call us and we will be happy to assist you.

**3. Keep receipts, invoices, and any college expense items in your tax file.** They will come in handy if you are audited down the road.

**4. Make sure you request withdrawals from CollegeCounts in the same year the expense is paid.**

### Common Withdrawal Questions:

#### What college expenses are covered?

The IRS includes tuition, fees, books, supplies, and equipment required for enrollment. If the student is enrolled at least half-time room and board is also an eligible expense. Personal expenses, transportation and repayment of student loans are not covered expenses.

#### Are computers covered?

Here is what the 2013 IRS Publication 970 states: For tax years after 2010, the purchase of computer technology or equipment is only a qualified education expense if the computer technology or equipment is required for enrollment or attendance at an eligible institution.

Remember, if you have questions or need assistance with withdrawals for college expenses, give us a call and we will be happy to assist.

## Neuberger Berman Name Change

The Neuberger Berman International Large Cap Fund and 529 Portfolio changed its name to the Neuberger Berman International Select Fund. As a reminder, in May the ING Global Real Estate Fund and 529 Portfolio also had a name change to the Voya Global Real Estate Fund and 529 Portfolio. These were simply changes in names and do not impact the investment style or process.

Northern Trust  
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## Market Update

The markets have continued to trend upward through the 2nd quarter of 2014. While investment performance has been encouraging for many investors over the last several years, we continue to encourage investors to invest in a portfolio of funds that is suitable for their risk tolerance in both "bullish" and "bearish" markets. A primary key to a successful investment portfolio is investing for the long term and staying the course through all market cycles. There is always a level of uncertainty to investing and with uncertainty, comes risk. Investors should be familiar with their investments and the accompanying risk levels associated with them. Be sure to periodically review the investment option you have selected for your CollegeCounts account with your Investment Professional to make sure it still meets your risk tolerance objectives. The IRS allows 1 investment change every calendar year or upon the change of the account beneficiary if you decide that you would like to make a change to your portfolio. If your investments match your risk tolerance and time horizon you will be better prepared to withstand any market fluctuations that may lie ahead.



Offered by the  
State of Alabama

UBT 529 Services a Division of  
**UNION BANK**  
& TRUST COMPANY®  
Program Manager

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## Do you have an AIP?

Many investors take advantage of an Automatic Investment Plan ("AIP") to make consistent contributions to their CollegeCounts accounts. Establishing an AIP saves you time and ensures that your contributions are received on a regular basis. It also ensures that you won't miss out on the Alabama state income tax deduction that is offered each year for contributions (\$5,000 limit for individuals, \$10,000 limit if filing jointly). If you haven't set up an AIP, visit our website [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com) to log into your account or download the Automatic Investment Plan Form to get started today.

If you already have an AIP, you may want to consider increasing your contribution amount as your budget allows. College costs continue to rise each year. With the great tax benefits of tax deferred growth, tax free withdrawals for college expenses and the Alabama State Income Tax Deduction, additional dollars you set aside for college now will help when the time comes to start paying expenses. Consider increasing your Automatic Investment Plan contributions periodically to help offset the ever-rising cost of college expenses.

## Graduate or Professional School Expenses

Most people know that funds from a CollegeCounts account can be used to pay for the qualified expenses required to obtain an undergraduate degree. Did you know that funds can also be used to cover the costs associated with Graduate or Professional schools? If your student plans to obtain a graduate or professional degree, you can continue to utilize your CollegeCounts account to pay for those costs. If you are an Alabama taxpayer, you can also continue to make contributions to the account to obtain the generous \$5,000 individual or \$10,000 joint state income tax deduction. As long as the school is accredited by the U.S. Department of Education and is eligible to participate in Federal Financial Aid Programs, funds from a CollegeCounts account can assist with the cost of obtaining a post-secondary degree.

## Cost Calculator - A College Planning Tool

With the fall semester kicking off in the next month, the start of the new school year is on the minds of many parents. As the summer draws to a close, a tool that can be helpful in determining how much you might want to consider saving for future college costs is the Cost Calculator at [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com). You can use the features of the Cost Calculator to customize a report to the specific savings goals you have by adjusting the assumptions used in the calculation. As you utilize the calculator and report, you will also want to consider the other options available to pay for the cost of college - including scholarships or grants your student may receive, whether or not your student will assist with the cost of college by obtaining a part-time job, and how much of your student's college expenses you plan to pay for (do you plan to pay 100% of the expense or will your student take on some of expense as well?). Working with your financial professional, you can utilize the Cost Calculator to determine the college savings strategy that will best meet your budget and goals. Visit [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com) and select "Resources" to get started.

## Thank you for investing with CollegeCounts!

The CollegeCounts 529 Fund Advisor Plan is a qualified tuition program under Section 529 of the Internal Revenue Code that is sponsored by the state of Alabama and administered by the Board of Trustees of the ACES Trust Fund (the "Trust" and plan issuer). Union Bank & Trust Company serves as Program Manager, and Northern Trust Securities, Inc., acts as Distributor. Accounts and investments under the CollegeCounts 529 Fund are not insured or guaranteed by the FDIC, the State of Alabama, the State Treasurer of Alabama, the Board, the Trust, the Program, Union Bank & Trust Company, Northern Trust Securities, Inc., or any other entity.

**Visit [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com) or call (866) 529 - 2228 to obtain the Program Disclosure Statement. Read it carefully before investing. An investor should consider the investment objectives, risks, and charges and expenses of the program before investing. If you or your beneficiary is not an Alabama resident check with your home state to learn if it offers tax or other benefits for investing in its own 529 plan.**

**The amount contributed by an Alabama taxpayer during a tax year is deductible from Alabama income in an amount not to exceed \$5,000 for a single return or \$10,000 for a joint return for that tax year. If you also contribute to another Alabama 529 account, your maximum total deduction on all contributions is still \$5,000 per year (\$10,000 for married couples filing jointly). Rollovers to another state's 529 plan or nonqualified withdrawals may be subject to recapture.**

Not FDIC Insured // May Lose Value // No Bank Guarantee

**CollegeCounts**<sup>SM</sup>  
Alabama's 529 Fund

**ADVISOR PLAN**