

# Inform

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

ADVISOR PLAN

2nd Quarter 2015

## Withdrawal Reminders

Summer is in full swing, but before you know it the fall semester will be starting. Here are some reminders as you prepare to withdraw from your CollegeCounts account for college expenses this fall:

1. Plan ahead! Don't wait until the last minute to request your withdrawal. We suggest that you allow 7-10 days to receive a check in the mail. All withdrawals received in good order by 3 PM CST on any business day will be processed the same day. Please allow U.S. Postal mail time as well as additional time for the college to process the payment once they receive it. While we send the funds right away, the mail and college processing time can add 5-7 days to the process.
2. Request withdrawals online. Our secure website is fast and easy to use. Please feel free to contact us at 866.529.2228 if you have questions or need assistance with online access.
3. Keep all receipts, invoices and any other documentation of your college expenses in your tax file. This documentation will come in handy if you are audited at a later date.
4. Match your expenses and your withdrawals from CollegeCounts in the same calendar year for tax purposes.

### Which expenses are qualified?

The IRS includes tuition, fees, books, supplies, and equipment required for enrollment at an institution that is accredited by the U.S. Department of Education. 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.

Remember, if you have questions or need assistance with withdrawals for college expenses, give us a call at 866.529.2228 and we will be happy to assist.

## Earn 1.529% Reward with the CollegeCounts Visa Card

CollegeCounts offers a Visa Rewards credit card to help you save even more for your loved one's college expenses. You earn a 1.529% reward on all eligible purchases and the rewards dollars are automatically invested in your CollegeCounts account(s) once you have accumulated \$50. With a generous 1.529% reward, you're putting additional dollars aside to help your loved one achieve their education goals. For more information or to apply online, visit [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com).

## Flexibility with CollegeCounts

Some of the most common questions we get from parents who want to start saving for college for young children are "What happens if my child gets a full scholarship?", "What happens to money left in the account after they have their degree?", and "What happens if my child doesn't need the money for college?". CollegeCounts has the flexibility to handle all of the "what if's" that may come up down the road.

There are no age or time restrictions for an account, so dollars can remain invested as long as you choose. If the beneficiary doesn't need the funds for college right away, you can leave the funds invested in the event the student pursues college at a later date. You can even use the funds to help the beneficiary pursue a graduate or professional degree.

The account owner can also change the beneficiary to another family member of the current beneficiary – including a sibling, first cousin, spouse, or child. If your child doesn't need or use the funds for college, you could help future generations of your family by changing the beneficiary to your grandchild.

If leaving funds invested or changing the beneficiary aren't the preferred options, the account owner can request a non-qualified withdrawal from the account at any time. The earnings portion of a non-qualified withdrawal is subject to income tax as well as a 10% federal tax penalty.

You can invest with CollegeCounts with the peace of mind in knowing that there are options for all of the unknowns you may encounter in the future. Don't hesitate to contact us at 866.529.2228 if you would like to discuss your own "what if" questions.



Offered by the  
State of Alabama

UBT 529 Services a Division of  
**UBT**  
Union Bank & Trust  
Program Manager

**Northern Trust  
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## Reduce Future Student Loan Debt

Think about your spending and saving habits. Can you afford to set aside an additional \$25, \$50, \$100 or more for future college expenses each month? Every contribution helps! Saving \$25 each month for 18 years with CollegeCounts adds up to \$5,400 of contributions. When you factor in the potential for compound growth of the account AND the tax-deferred growth and tax-free withdrawals for qualified higher education expenses, funds that accumulate turn into dollars that your beneficiary will not incur as student loan debt. Could you sacrifice going out to lunch a few times each month if it means extra dollars for your beneficiary to use for their future college education? Your beneficiary will appreciate the small sacrifices you make now that will help them pay for and earn their college degree.

To help with a disciplined approach to saving, be sure to utilize the Automatic Investment Plan that CollegeCounts offers. You can log in at [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com) to start a new Automatic Investment Plan with no minimum amount to save. Start with \$25, \$50 or \$100 and make a resolution to increase the amount you save each year. If you are currently saving with an AIP, don't hesitate to log in or contact us if you would like to increase the amount you save each month. The more you save now, the less your student may need to borrow (and pay back with interest) when they go to college.

## College Cost Calculator- A 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. A tool that can be helpful in determining how much you might want to consider saving for future college costs is the College Cost Calculator at [CollegeCounts529advisor.com](http://CollegeCounts529advisor.com). You can use the features of the College 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. You can utilize the College 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.

## Estate Planning Benefits of CollegeCounts

Making a contribution to CollegeCounts doesn't just benefit the future college student(s) in your life – it can also help you with estate planning. Contributions to CollegeCounts are considered a completed gift to the beneficiary and you can contribute up to \$14,000 each year as an individual (up to \$28,000 if married). If you are the account owner for the CollegeCounts account, you keep full control of the assets invested even though the gift is complete – a unique feature of a 529 account. You also have the ability to use up to 5-years' worth of the annual gift exclusion and contribute up to \$70,000 (\$140,000 for married couples) for each beneficiary as long as no additional gifts are made during the 5 year period – a powerful estate planning feature! A special tax form is required to be filed. We recommend that you discuss any estate planning or gifting questions with your tax and financial professionals for additional information and advice.

## 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 Advisor Plan 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. 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 and the Program before investing. This information is contained in the Program Disclosure Statement (issuer's official statement). Please read it carefully before investing. For a copy, call 866.529.2228, visit the plan web site, or contact your investment professional.**

**An investor should consider, before investing, whether their home state or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.**

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