

Inform

CollegeCountsSM
Alabama's 529 Fund

ADVISOR PLAN

3rd Quarter 2014

Contribute Now For The Alabama Tax Deduction

It's hard to believe, but fall is in the air and the end of the year is quickly approaching! Don't miss out on the opportunity to take advantage of the generous Alabama State Income Tax Deduction that is offered for contributions to CollegeCounts. Individuals can deduct up to \$5,000 and joint filers can deduct up to \$10,000 for contributions made before December 31st.

There are 2 easy ways to make a contribution to CollegeCounts!

1. Log into your account at CollegeCounts529advisor.com to make an electronic contribution through our secure website. We will accept electronic contributions for 2014 through 11:59 PM on Wednesday, December 31st.

2. Send a check payable to "CollegeCounts" to PO Box 85290, Lincoln, NE 68501. Envelopes postmarked in 2014 will be accepted as 2014 contributions.

Don't wait until the busy month of December to make your 2014 contribution. Make your 2014 contribution TODAY to ensure you are able to take advantage of the tax deduction offered by the state of Alabama!



Offered by the
State of Alabama

UBT 529 Services a Division of
UNION BANK
& TRUST COMPANY.[®]
Program Manager

Holiday Gift Contributions Are Easy With GiftED

With the holidays approaching, don't forget to add a contribution to your child's CollegeCounts account to his/her holiday wish list! New toys are exciting now, but their newness wears off after a few months. If family members and friends want to give a gift that will make a tremendous impact on your child's life, encourage them to make a contribution to your CollegeCounts account. Every \$10, \$25, \$50, or \$100 gift made now will help your child achieve their dreams of a college education in the future.

An easy way to motivate your loved ones to contribute to your CollegeCounts account is to send them an email invitation from GiftED. Simply log in at CollegeCounts529advisor.com and select the "Gifting" link to get started. The recipient of the email invitation can use the link provided to make an electronic contribution directly to your account or mail a check to us. GiftED will track all of the gifts made to your account so you can see who made a contribution and acknowledge the gift.

Be sure to remind your family members and friends that they can take advantage of the Alabama state income tax deduction for any gift contributions they make to your account (up to the \$5,000 individual or \$10,000 joint limits). They receive the benefit of a tax deduction AND help your child with future college costs – a Win-Win!

**Northern Trust
Securities, Inc.**
Distributor

Rollovers From Other 529 Plans

Do you have a 529 account in another state's plan? If so, consider rolling those dollars into CollegeCounts. The IRS allows 1 rollover every 12 months between accounts for the same beneficiary. If you complete the rollover prior to December 31st, the state of Alabama allows you to take the state income tax deduction for the amount of the rollover contribution (up to the \$5,000 individual or \$10,000 joint limits). Be sure to initiate your rollover request as soon as possible. We recommend submitting a completed rollover form prior to December 1st to allow time for the rollover contribution to be received prior to December 31st. Don't hesitate to contact us or your financial professional with any questions about initiating a rollover from another plan.

Expenses And Withdrawals

Do you need to request a withdrawal from your account for expenses you have incurred in 2014? If so, don't forget to request your withdrawal prior to December 31st. It is our understanding that you should match your expenses and withdrawals from your 529 account in the same calendar year for tax purposes. Similarly, many students will begin receiving invoices for tuition and fees for the second semester of the 2014-15 school year in December. If the tuition bill is due in January 2015, we recommend waiting until after the start of 2015 to request a withdrawal from your 529 account to pay the expense.

(866) 529-2228 • PO Box 85290 • Lincoln, NE 68501-5290

End of Year Gifting Reminder

If you plan to make a large gift to your CollegeCounts account prior to year end, be sure to keep in mind the annual exclusion for Federal gift tax purposes is \$14,000 per person (\$28,000 for a married couple). It is our understanding that a contribution must clear the contributor's bank account prior to December 31st, 2014 in order for the contribution to be considered a 2014 gift. Due to increased mail volume for the U.S. Postal Service in December, we recommend mailing a check prior to December 22nd to allow the check time to reach us and clear the bank account before the end of the year. To expedite the gift, you may also want to consider mailing a Cashier's Check or making an electronic contribution at CollegeCounts529advisor.com.

If you would like to make a gift larger than the \$14,000 individual limit (up to \$28,000 for a married couple), there is a provision that allows you to make an "accelerated" gift of up to \$70,000 (up to \$140,000 for a married couple) and have the contribution be considered a gift for the current year as well as the next 4 years. In order to make the election to spread a gift more than \$14,000 or \$28,000 over the 5 year period, the contributor must file IRS Form 709 for the year of the contribution. Please discuss any large gifts with your tax and financial professionals for more information and advice.

Testimonials From CollegeCounts Investors

Earlier this year, we asked CollegeCounts investors why they were saving for college and how CollegeCounts was helping them. We found the responses very enlightening and wanted to share some comments that may give other investors some ideas about how they might utilize the features of CollegeCounts to help with future college expenses.

"CollegeCounts is helping me teach my children about the value of money, saving it, and how important college is. The state tax benefit is also a nice feature. The children take part in our contributions and we use it as a nice little bonding and teaching time."

"Our 3 grandchildren get all the toys they will ever use or need, so we decided to start college savings plans for each of them. Hopefully, by the time they need it, it will be very helpful to them and their parents."

"We like how easy it is for grandparents and other family members to add money using GiftED."

"The automatic investing option takes one task off my to-do list every month."

"We are so excited about the CollegeCounts Visa Rewards card and how it can add money to the account on the everyday things we purchase."

"The automatic investment plan helps take the emotion out of investing and keeps us disciplined with our budget."

Thank you for investing with CollegeCounts! Have a Happy and Safe Holiday Season!

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 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.

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