

First Semester Withdrawal Reminders

Summer is in full swing, and we hope you and your family are enjoying every minute! If you have a college student, the fall semester will be starting soon. Here are some withdrawal reminders as you prepare to utilize your CollegeCounts account to pay for upcoming expenses:

- ▶ Funds invested in a CollegeCounts account can be used at colleges nationwide (and some foreign schools) which are accredited by the U.S. Department of Education and are eligible to participate in Federal Financial Aid programs. Please visit the “FAQs” link at **CollegeCounts529Advisor.com** and select “Which schools are eligible institutions?” to search for qualified institutions.
- ▶ Qualified expenses include tuition, fees, books, supplies and equipment required for enrollment or attendance, computers, computer equipment and software, and internet access, certain room and board expenses for students who are enrolled at least half-time, and certain expenses for special needs services by a special needs beneficiary.¹ Please review the CollegeCounts Program Disclosure Statement for more details about qualified expenses.
- ▶ Keep all receipts, invoices, and documentation of your expenses. You are not required to provide documentation to CollegeCounts, but will want to keep it in the event of questions or an audit.
- ▶ Withdrawals for room and board can be used to cover on- or off-campus expenses. Room and board expenses qualify to the extent that they are not greater than the following amounts:
 - The allowance for room and board as determined by the eligible educational institution that was included in the cost of attendance (for federal financial aid purposes) for the particular academic period and living arrangement of the student.
 - The actual amount charged if the student is residing in housing owned or operated by the eligible educational institution.
 - Note: We recommend contacting the school for qualified room and board costs.
- ▶ You can request a withdrawal quickly and easily by logging in to your account at **CollegeCounts529advisor.com**.
- ▶ CollegeCounts can issue a payment to the account owner, beneficiary, or college. Funds can also be sent electronically to the account owner’s bank account, if it has been on file for at least 10 days.
- ▶ Withdrawal requests are processed very quickly. We typically process requests on the same day when they are received by 3 p.m. CST. Please allow sufficient time for the check to arrive in the mail as well as time for the school to process the payment after they receive it.
- ▶ For tax reporting purposes, we recommend you match all expenses and withdrawals from CollegeCounts in the same calendar year.
- ▶ Tax Form 1099-Q will be issued in early 2019 for distributions processed in 2018. The 1099-Q will be issued to the account owner for any distributions to the account owner or bank account on file. The 1099-Q will be issued to the beneficiary for any distributions paid to the beneficiary or college. Check with your tax professional for any filing requirements or tax-related questions you have.
- ▶ If the beneficiary receives a refund from the school, it can be re-contributed to their CollegeCounts account within 60 days of the refund date as a tax-free transaction.

If you have any questions about your account or the withdrawal process, please feel free to reach out to our Customer Care Center at 866.529.2228 from 7 a.m. to 7 p.m., Monday through Friday.

Program Disclosure Statement Update

The CollegeCounts Program Disclosure Statement has recently been updated. You should have received a copy of the updated document in the mail or by email based on the delivery preferences set for your account. We recommend you review the Program Disclosure Statement and keep it with your other paperwork for the program. You can also visit CollegeCounts529advisor.com to review the updated Program Disclosure Statement at any time.



Maximum Balance Limit Increased

The maximum account balance limit for CollegeCounts has been increased from \$400,000 to \$475,000 per beneficiary. Contributions to an account can be accepted for a beneficiary as long as the balance for all accounts for that beneficiary in all State of Alabama 529 programs does not exceed \$475,000 in aggregate.



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 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.

The CollegeCounts 529 Fund 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).

¹Qualified 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; and certain expenses for special needs services needed by a special needs beneficiary.

NOT FDIC INSURED / NO BANK GUARANTEE / MAY LOSE VALUE

I don't have college degree,
and my father didn't have a
college degree, so when my son,
Zachary, graduated from college,
I said, 'My boy's got learnin'!

—Robin Williams

FIRST-GENERATION STUDENTS

According to the National Center for Education Statistics, 33 percent of college students are "first-generation" students. One of the major deterrents from attending college and obtaining a degree is the financial burden it can leave. Investing with CollegeCounts is a great way to help relieve those financial worries and set our future leaders up for success. Consider making regular contributions with an automatic investment plan. It's easy to start or increase contributions to your account by logging in at CollegeCounts529advisor.com.

GIVE THE GIFT OF EDUCATION

Give your beneficiary the gift that will benefit them for a lifetime—a college education! CollegeCounts offers GiftED as an easy way for family members or friends to contribute to your account. Simply log in to send an email invitation to those who may want to contribute. The recipient can make an electronic contribution or mail a check to us at any time. Greeting cards and certificates are available on our website for you to notify the beneficiary that a gift has been made to their account. Visit "Give a Gift" link at CollegeCounts529advisor.com to review and download the gift notification options.


CollegeCounts
ADVISOR-GUIDED 529 FUND