

First Semester Withdrawals

Summer BBQ's and pool parties will soon give way to moving your student into the dorms and fall tuition payments. If your beneficiary is attending college in the fall, especially if they are a first-time college student, the following are the answers to the most frequently asked questions about withdrawals:

- ▶ It is fast and easy to request a withdrawal online through your secure login at **CollegeCounts529advisor.com**
- ▶ CollegeCounts can issue a payment to an Account Owner, an Account Owner's bank account on file, a Beneficiary, or directly to a College
- ▶ Request a withdrawal 7-10 days prior to your payment deadline. All requests received by 3 pm CT are processed the same day and a check is mailed the next business day. We recommend allowing 5 – 7 days for the check to arrive in the mail and for the college to process the payment.
- ▶ Qualified college expenses include:¹
 - Tuition and fees
 - Books, supplies and equipment required for enrollment or attendance
 - The purchase of a computer, computer software, and internet access that will be used primarily by the beneficiary during enrollment
 - Certain expenses for special needs services needed by a special needs beneficiary
- Certain room and board expenses incurred by students who are enrolled at least half-time
- ▶ Keep all documentation and/or receipts of your qualified expenses in the event of questions or an audit in the future
- ▶ Match your qualified college expenses and 529 withdrawals in the same calendar year for tax purposes
- ▶ Eligible colleges include those that are accredited by the U.S. Department of Education and are eligible to participate in federal financial aid programs. To search for eligible colleges, visit the FAQ's section at **CollegeCounts529advisor.com** and select "Which schools are eligible institutions?"
- ▶ Refunds from a college can be re-contributed to the 529 account for the same beneficiary within 60 days after the date of the refund

If you have questions about your account or the withdrawal process, please don't hesitate to reach out to our Customer Care Center at 866.529.2228 from 7 am to 7 pm CT Monday through Friday.

BACK-TO-SCHOOL SALES TAX HOLIDAY WEEKEND

Get your school supply lists ready! July 19-21 will mark the 14th annual Alabama sales tax holiday for school-related items. Shoppers have the opportunity to purchase certain school supplies, computers, books, and clothing free of Alabama sales or use tax. Only certain cities and counties participate in the sales tax holiday. Visit the Alabama Department of Revenue website at revenue.alabama.gov and search for "school sales tax holiday" for more details and to find the list of 2019 participating localities. Don't miss out on the opportunity to take advantage of the sales tax holiday for your upcoming school and college expenses.

COLLEGE SAVINGS PLANNER

The College Savings Planner is a resource on our website that can help you prepare for what your family might wish to invest for future college expenses. This helpful tool allows you to review the current costs of colleges across the United States, project future college costs, and determine how much you might contribute to a CollegeCounts account. It will also allow you to see the projections for multiple children at different ages in your family. Visit the "Resources" link at **CollegeCounts529advisor.com** to see your customized planning report.

“Before anything else, preparation is the key to success.”

–Alexander Graham Bell

Careful preparation is an important component of achieving your goals. We all spend time planning for events and family celebrations, work obligations, a new baby’s arrival, and helping our children achieve milestones. The road to higher education is an especially important goal that requires preparation. You are already making a big impact on your child’s future success by investing now for their future college expenses. The more you save now, the less they will have to take out in student loans when the time comes. Even if you save just enough to cover one semester or one year of their college expenses, you are helping them potentially reduce future student loan debt.

You can also help your student prepare for their future by encouraging them to focus on their education and become involved in extra-curricular activities. Take an active role in their education by partnering with teachers, helping them study, and recognizing their achievements. Inspire them to become involved in school clubs and activities as well as community organizations or volunteer opportunities. Demonstrate to your children that it takes hard work and preparation to achieve goals and become their partner in success! Preparation may be the key to success, but the love, support and encouragement of family and friends are also very important when it comes to a student achieving their education dreams! CollegeCounts appreciates that you have chosen us to help in preparation for your child’s future education goals. We know that investing for their future expenses is just one component of all the important preparation you are doing!



Long-term Investment Goals

An investment account will inevitably experience some periods of out-performance as well as more challenging phases. Since the market lows in the 2008-2009 timeframe, we have seen outstanding performance from the markets. While we want the excellent returns to continue, we encourage investors to select an investment strategy that they are comfortable with during all market cycles. Match your investment option to your risk tolerance preferences to avoid disappointment if the markets experience a pullback. Don’t chase market performance, rather review your investment option periodically with your financial professional to ensure it is still in line with your overall risk and investment goals. A long-term investment strategy provides a good foundation for investing for the future.

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).

¹Withdrawals 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; and certain expenses for special needs services needed by a special needs beneficiary. The earnings portion of a non-qualified withdrawal is subject to federal income tax and 10% federal penalty tax. In addition, Alabama provides in the event of a non-qualified 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 10% of the amount withdrawn.

NOT FDIC INSURED / NO BANK GUARANTEE / MAY LOSE VALUE


CollegeCounts
ADVISOR-GUIDED 529 FUND