

## 2021 Contribution Reminders

As we approach the end of 2021, don't forget these important reminders regarding contributions to your CollegeCounts account:

- > December 31st deadline for 2021 contributions to be eligible for the Alabama state income tax deduction<sup>1</sup> (not April 15th)
  - Up to \$5,000 for single filers
  - Up to \$10,000 if married, filing jointly when both spouses contribute
- > Make a contribution via the secure, online access portal at **CollegeCounts529advisor.com** at any time
- > Checks received by mail must postmarked by December 31 to qualify as a 2021 contribution
- > Large gift contributions (typically over \$15,000/\$30,000) should be made online or mailed by mid-December to allow time for the funds to clear the contributor's bank account prior to December 31st
- > Reach out to your financial advisor and/or tax professional with any large gift or tax-related questions



## Second Semester Withdrawals

We hope the school year is off to a great start for all college students! Before they know it, they'll be thinking about finals week exams and registering for classes for the spring semester. If you receive a tuition bill in December for second semester expenses, we recommend waiting until January to request a withdrawal from your CollegeCounts account to pay that expense. It is our understanding that withdrawals from your account and qualified expenses<sup>2</sup> should be matched in the same calendar year (not school year). Similarly, if there are any remaining qualified expenses<sup>2</sup> you have in 2021, request the withdrawal for those expenses by December 31st. Please contact your financial advisor or tax professional with any questions you may have.

## UPDATE YOUR CONTACT INFORMATION

CollegeCounts will be implementing Multi-Factor Authentication for investors who access their accounts via the online access portal. This change will further enhance the security of your account(s) by sending you a text message to confirm each login request. It's important that we have your current phone number on file so you can easily access your account(s) once the changes are completed. Reviewing and updating your phone number is quick and easy! Simply follow these steps:

1. Visit **CollegeCounts529advisor.com** and choose "Login". Select "Individual Investor" from the dropdown list
2. Select "Account Profile" from the menu on the Account Summary screen
3. Select the "Edit" button next to "Address Information"
4. Update or add your phone number and other contact information such as address and email address and choose "Submit"

# CollegeCounts Scholarship Application

CollegeCounts is proud to reward hard-working Alabama students with a scholarship opportunity each year. The application period for students who will be first-time college students during the fall 2022 semester will be open from December 1, 2021 – February 28, 2022. If you know a high school senior or someone who will begin college next fall, don't let them miss the opportunity to apply. In 2021, it was our pleasure to award scholarships to 354 students, valued at over \$1.2 million (\$2,000 awards for students attending 2-year colleges, \$4,000 for students attending 4-year colleges). There was at least one student from 65 of the 67 counties across Alabama selected as a scholarship recipient in 2021. Our goal each year is to award at least one scholarship to a student in EVERY county in the state. Help us spread the word about the CollegeCounts scholarship by encouraging students in your life to apply!

Please visit <https://treasury.alabama.gov/collegecounts-scholarship/> for more information.

**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](http://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). Union Bank & Trust Company serves as Program Manager and Northern Trust Securities, Inc., acts as Distributor. Except for any investments made by an investor in the Bank Savings Individual Fund Investment Option up to the limit provided by Federal Deposit Insurance Corporation ("FDIC") insurance, neither the principal contributed to an account, nor earnings thereon, are guaranteed or insured by the FDIC, the State of Alabama, the State of Alabama Treasurer, 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.

<sup>1</sup>Individuals who file an Alabama state income tax return are eligible to deduct for Alabama state income tax purposes up to \$5,000 per tax year (\$10,000 for married taxpayers filing jointly if both contribute) for total combined contributions to the Plan and other State of Alabama 529 programs. The contributions made to such qualifying plans are deductible on the tax return of the contributing taxpayer for the tax year in which the contributions are made. In the event of a Nonqualified Withdrawal from the Plan, for Alabama state income tax purposes, an amount must be added back to the income of the contributing taxpayer in an amount of the Nonqualified Withdrawal plus ten percent (10%) of such amount withdrawn. Such amount will be added back to the income of the contributing taxpayer in the tax year that the Nonqualified Withdrawal was distributed. Please consult with your tax professional.

<sup>2</sup>Withdrawals 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; certain expenses for special needs services needed by a special needs beneficiary; fees, books, supplies, and equipment required for the participation of a Designated Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act; up to a lifetime maximum of \$10,000 paid as principal or interest on any qualified education loan of the Designated Beneficiary or a sibling of the Designated Beneficiary. A sibling includes a brother, sister, stepbrother, or stepsister. For purposes of the \$10,000 limitation, amounts treated as a qualified higher education expense with respect to the loans of a sibling of the Designated Beneficiary are taken into account for the sibling and not for the Designated Beneficiary; up to a maximum of \$10,000 per year in tuition expenses, incurred by a Designated Beneficiary, in connection with enrollment or attendance at an eligible elementary or secondary public, private or religious school. 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**

(\*except the Bank Savings 529 Portfolio underlying investment)

**CollegeCounts wishes your family  
a happy and healthy holiday season!**

# 2021 Rollover Contributions

If you are considering a rollover contribution to your CollegeCounts account(s) from an out-of-state 529 plan, now is a great time to begin that process. The IRS allows one rollover every 12 month period for the same beneficiary. Rollovers typically take 2-4 weeks to complete. In order for the rollover contribution to qualify for the Alabama state income tax deduction<sup>1</sup>, the rollover check from the other 529 plan (not the Rollover Request Form) must have a 2021 postmark. Don't wait until life gets busy in December to request a rollover – contact your advisor to discuss any rollover opportunities for 2021.

# Gift Contributions

With the winter holidays quickly approaching, don't forget about CollegeCounts for your child's wish list. Grandparents and family members always love to provide meaningful gifts and we can't think of a better option than a gift that will help a child achieve their future education and career goals! Even small gifts for each birthday or holiday season can add up as a child grows older. Talk to your family about a gift contribution to CollegeCounts and then send them an email invitation to contribute with GiftED – our online gift-giving platform. As an added benefit to the gift giver, it's our understanding that any Alabama taxpayer may be eligible for the state income tax deduction for the contributions they make to an account<sup>1</sup>. It's truly a win-win for your beneficiary and the person giving the gift. Simply log into your account and select "GiftED" to get started today.

  
**CollegeCounts**  
ADVISOR-GUIDED 529 FUND