

## December 31st Deadline for 2022 Contributions!

To claim an Alabama state income tax deduction for contributions made in 2022, remember to contribute by the December 31st deadline! Here are a few helpful things to keep in mind when making your 2022 contribution:

- ▶ Contributions by Alabama taxpayers can be deducted up to the following limits:
  - \$5,000 for individuals
  - \$10,000 if married, filing jointly and both spouses contribute.<sup>1</sup>
- ▶ Contributing is easy! Simply log in at **CollegeCounts529Advisor.com** and select Transact Online to make an electronic contribution. Electronic contributions will be accepted for 2022 as long as they are completed through the online access portal prior to 11:59 pm CT on December 31st.
- ▶ Friends and family members can contribute and take advantage of the Alabama state income tax deduction<sup>1</sup> as well! To give others the opportunity to contribute, log in to your account and select "GiftED". Follow the easy steps to send them a contribution invitation by email.
- ▶ Checks received by mail must be postmarked by December 31st to qualify as a 2022 contribution.
- ▶ If you intend to contribute a larger amount for Federal Gift Tax Purposes, we recommend that you make your contribution online or mail your check by December 20th to allow sufficient time for the funds to clear your bank account before December 30th. The current Federal Gift Tax limit is \$16,000 per person and doubles to \$32,000 for married couples.

We recommend speaking to your financial advisor or a tax professional with your tax-related questions.

## Withdrawals for 2022 Qualified Expenses<sup>2</sup>

Did you pay any qualified expenses out of pocket in 2022 and wish to be reimbursed for those expenses? If you bought books at the bookstore, paid for a computer for your beneficiary, or purchased required supplies or equipment earlier this year, and paid for any of those expenses with your personal funds, you might be considering a withdrawal from your account. It is our understanding that qualified expenses and the withdrawals from your account need to be matched in the same calendar year for tax purposes. Keep in mind that December 30th is the last business day of 2022 since December 31st will be a Saturday. Be sure to request any withdrawals for 2022 expenses from your CollegeCounts account prior to December 30th at 3 pm CT. Keep all receipts, invoices or other documentation of your qualified expenses in the event of questions or an audit and discuss any tax questions with your financial advisor or tax professional.

## 2022 Rollover Contribution?<sup>3</sup>

Are you considering making a rollover contribution to your CollegeCounts account(s) from an out-of-state plan? We recommend starting that process as soon as possible. Typically, the rollover process takes 2-4 weeks to complete. If you wait until middle or late December, it may not be possible to complete the rollover in time for it to count towards your 2022 Alabama state income tax deduction.<sup>1</sup> To qualify for the tax deduction, the rollover check from the 529 plan you are rolling the money out of needs to have a 2022 postmark. Don't wait until it's too late! Request your rollover as soon as possible so you don't have to worry about it at the end of the year. To start the process, complete and submit the Rollover Form found under the "Forms" link at **CollegeCounts529Advisor.com**. Be sure to check with your out-of-state 529 plan to learn about any potential fees or penalties that may apply to a rollover out of your account. The IRS allows one rollover every 12 months for the same beneficiary.<sup>3</sup> Remember to also consult with your financial advisor regarding the potential benefits and other considerations for completing a rollover to CollegeCounts.

## CollegeCounts Scholarship

To celebrate and encourage the power of education for our students, CollegeCounts is proud to present a scholarship opportunity for first-time college students across the state of Alabama every year. If you know a senior in high school who will be going to an Alabama college in the fall of 2023, have them mark their calendar to apply for the CollegeCounts Scholarship beginning on December 1, 2022. Awards of up to \$2,000 are available for students attending 2-year Alabama colleges, and up to \$4,000 scholarship awards are available for students attending 4-year Alabama colleges. It's a great opportunity to help your student begin their college career with some financial assistance and propel them towards future success. Our goal each year is to award at least one scholarship to a student in EVERY county in Alabama. Spread the word and encourage your friends and loved ones to apply today! Please visit <https://treasury.alabama.gov/collegecounts-scholarship/> for further details of the scholarship.

**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](https://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 Advisor Plan 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 a Participant in the Bank Savings 529 Portfolio 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 State of Alabama, the State Treasurer of Alabama, the Board, the Trust, the Program, any other state, any agency or instrumentality thereof, Union Bank & Trust Company, Northern Trust Securities, Inc., the FDIC, or any other entity. Investment returns are not guaranteed. Account Owners in the Plan assume all investment risk, including the potential loss of principal.

<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; apprenticeship program expenses; payment of principal or interest on any qualified education loan of the Beneficiary or a sibling of the Beneficiary (up to an aggregate lifetime limit of \$10,000 per individual); and up to \$10,000 per year in K-12 Tuition Expenses. 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.

<sup>3</sup> Rollovers from another qualified tuition program are treated as a non-taxable distribution from the distributing qualified tuition program provided (1) it has been more than 12 months since any previous rollover for the beneficiary, or (2) the beneficiary of the account is changed to a Member of the Family of the current beneficiary.

**NOT FDIC INSURED\* / NO BANK GUARANTEE / MAY LOSE VALUE**

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

**"If you are not willing to learn, no one can help you.  
If you are determined to learn, no one can stop you."**

**— Zig Ziglar**

## Need Gifting Ideas?

If your toy box is full of toys that your children never touch, or if you are looking for a meaningful gift idea for them, consider contributing to a 529 account during this holiday season! GiftED makes it easy for friends and family members to make a gift contribution into a CollegeCounts account for birthdays holidays or other special occasions. All you need to do is log into your account, select "GiftED", and then follow the simple steps to email a link to whomever might want to contribute to your beneficiary's account. The contributor will be given the option to make an electronic contribution or to send a check to CollegeCounts. It's a great way to make a meaningful and impactful gift for your beneficiary's future that they are sure to appreciate for years to come! Learn more by visiting [CollegeCounts529.com/plan-benefits/make-a-gift](https://CollegeCounts529.com/plan-benefits/make-a-gift).

## College Savings Planner

Whether your child is just starting Kindergarten or heading into High School, we know the cost of education can be daunting. We always recommend starting your college savings efforts as early as possible to help offset the rising costs of education. No matter where you are in your college savings journey, we offer the College Savings Planner to help you set the roadmap to meet your goals. The College Savings Planner can help you review the current costs of schools, project future costs, and help you create a steady plan for building up your child's education savings. Visit [CollegeCounts529Advisor.com](https://CollegeCounts529Advisor.com) and select the "Resources" link to get started today!

  
**CollegeCounts**  
ADVISOR-GUIDED 529 FUND