

Maximize your savings

**Don't miss out on potential year-end tax benefits!
Here are a few things to keep in mind:**

- ▶ Contributions by Alabama taxpayers may be eligible for an Alabama state income tax deduction up to \$5,000 for individuals, or \$10,000 if married, filing jointly and both contribute.
- ▶ Contributions received by CollegeCounts on or before December 31, 2024 can help maximize your tax savings.¹
- ▶ GiftED makes it easy for family and friends to contribute. Simply log in to your account at **CollegeCounts529advisor.com** and select "GiftED" to get started. Contributors who are Alabama taxpayers may be eligible for an Alabama state income tax deduction for their contributions.¹
- ▶ Contributions sent by mail must be dated and postmarked by December 31st to qualify as 2024 contributions. Similarly, 2024 contributions made online must be completed by 11:59 pm CT on December 31st.

We recommend reaching out to your tax professional for any tax-related questions that you may have.



Need to roll over an out-of-state 529 account?

FOR 2024 TAX BENEFITS, START THE PROCESS EARLY

When you roll over an out-of-state 529 account to CollegeCounts you could be eligible for an Alabama state income tax deduction.^{1,2} Make sure to start the process as soon as possible to meet the December 31st contribution deadline. Rollovers can take several weeks, so it's important to plan ahead. Review the various considerations with your tax professional, including any potential recapture of tax deductions received from the original state, as well as whether any penalties or charges may apply. Visit **CollegeCounts529advisor.com/rollover** to get started.

Upcoming Withdrawals³

If you have any current or upcoming 2024 qualified expenses, we recommend requesting any withdrawals by 3 pm CT on December 31st. It is our understanding that qualified expenses and withdrawals should be matched in the same calendar year for tax purposes. We recommend keeping all receipts, invoices, and documentation of your qualified expenses in the event of questions or audit. Be sure to discuss any tax-related questions you may have with your tax professional.

Test Your CollegeCounts Knowledge!

1. Can you use your 529 funds to pay for off-campus housing?³

YES NO

2. What are the tax benefits for investing with CollegeCounts?^{1,3}

1. Possible Tax Deduction up to \$10,000
2. Tax-Deferred Growth
3. Tax-Free Withdrawals for Qualified Expenses
4. Gift and Estate Tax Treatment
5. All of the Above

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 and 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 FDIC, the State of Alabama, the State of Alabama Treasurer, the Board, the Trust, the Program, Union Bank and 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.

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.

¹Individuals 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.

²Rollovers 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.

³Withdrawals 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 Nonqualified Withdrawal is subject to federal income tax and 10% federal penalty tax. In addition, Alabama provides in the event of a Nonqualified 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.

CollegeCounts Scholarship

The application period for the CollegeCounts Scholarship for the 2025-26 school year will open on December 1st. If your loved one will be a college freshman in the fall of 2025 and they plan to attend an Alabama college, encourage them to apply for the CollegeCounts Scholarship starting December 1st. Students who are selected as recipients receive scholarships of up to \$2,000 if attending a 2-year college, or up to \$4,000 if attending a 4-year college. Our goal every year is to award at least two scholarships to students in need of financial assistance in EVERY county in Alabama to help propel their education. Applications will be accepted from December 1, 2024 through February 28, 2025. Please visit Treasury.Alabama.Gov/CollegeCounts-Scholarship/ for more information and eligibility requirements.

ANSWERS

1. A. Yes! To qualify, the student must be enrolled at least half-time and the expenses for the room and board cannot exceed the greater of the following two amounts:
1. The allowance for room and board, as determined by the school, that was included in the cost of attendance (for federal financial aid purposes) for a particular academic period and living arrangement of the student.
2. The actual amount charged if the student is residing in housing owned or operated by the school.
2. 5. All of the Above! For more information about the tax benefits for investing in a CollegeCounts 529 plan, visit CollegeCounts529Advisor.com/plan-benefits/tax-advantages/.

NOT FDIC INSURED* / NO BANK GUARANTEE / MAY LOSE VALUE
(*except the Bank Savings 529 Portfolio underlying investment)


CollegeCounts
ADVISOR-GUIDED 529 FUND