

CollegeCountsSM

Advisor-Guided 529 Fund

Alabama's 529 Advisor Fund Newsletter

3rd Quarter 2026

Check This Off Your List Before Year-End

Between fall festivities and holiday preparations, year-end to-do lists can fill up quickly. As you check tasks off your list, don't forget to review your **CollegeCounts 529 Advisor** account and consider contributing before the **December 31** deadline. Every contribution you make today can help support your student's future educational goals.

Contributions by Alabama taxpayers may be eligible for an Alabama state income tax deduction of up to \$5,000 for individuals, or \$10,000 if married filing jointly and both spouses contribute.¹

To qualify for the 2026 tax year, online contributions must be completed by 11:59 p.m. CT on **December 31, 2026**, and mailed contributions must be postmarked by **December 31**.

Don't wait until the last minute. Log in to your account at **CollegeCounts529Advisor.com** to make your contribution and start the new year knowing you've invested in your student's future.

We recommend reaching out to your tax professional with any tax-related questions.

2026 Withdrawal Deadline – December 31

Need to take a withdrawal for current or upcoming 2026 qualified expenses?² Log in to your account at **CollegeCounts529Advisor.com** and request a withdrawal with just a few clicks. Withdrawals can be issued to the account owner, beneficiary, directly to the school or applied to a CollegeCounts CollegePay prepaid card. It's a quick and convenient way to access your education savings when you need them.

We recommend requesting any withdrawals for 2026 expenses by 3:00 p.m. CT on **December 31**.

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 an audit.

Visit **CollegeCounts529Advisor.com/use-of-funds** for more information.



"What you do today can improve all your tomorrows."

– Ralph Marston

Don't Wait: Roll Over Your Out-of-State 529 Plan Early

Now is a great time to roll over your out-of-state 529 plan to CollegeCounts. Alabama taxpayers who complete an eligible rollover³ by **December 31** may qualify for an Alabama state income tax deduction¹, creating an opportunity for year-end tax savings.

In addition to potential tax benefits, rolling over your account can help streamline your education savings strategy by keeping your funds in one place.

It's important to start early. The rollover process can take several weeks to complete, and waiting could cause you to miss important deadlines for potential tax benefits.

When considering a rollover, make sure to review the various advantages and disadvantages with your tax and financial advisor, including any potential recapture of tax deductions received from the original state, as well as whether any penalties or charges may apply.

To learn more and get started, visit **CollegeCounts529Advisor.com/rollover**.

CollegeCounts Scholarship – Applications Accepted Beginning December 1

As your student begins planning for college, don't overlook opportunities that can help support their educational journey. If they will be attending an Alabama college as a freshman in fall 2027, encourage them to apply for the CollegeCounts Scholarship.

Application Period: **December 1, 2026 – February 15, 2027**

Learn more and apply at:

treasury.alabama.gov/programs/collegecounts-scholarship/

Starting December 1, applications will be accepted for the 2027-28 school year. Selected recipients may receive:

- ✓ Up to \$2,000 for students attending a 2-year Alabama college.
- ✓ Up to \$4,000 for students attending a 4-year Alabama college.

Each year, CollegeCounts aims to award at least two scholarships in every county across Alabama to students with financial need, helping them pursue higher education and work toward their long-term goals.

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 Lights Distributors, LLC, acts as Distributor. Northern Lights Distributors, LLC is unaffiliated with Union Bank and Trust Company. Union Bank and Trust Company is registered as a municipal advisor with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). 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 and Trust Company, the Distributor, 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.

²Withdrawals 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); up to \$20,000 in K-12 Expenses; and Qualified Postsecondary Credentialing 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.

³Rollovers 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)

CollegeCounts529Advisor.com | 866.529.2228



Offered by the
State of Alabama

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Program Manager

20260925-5959787