

Final Tax Reminders

Here are some final tax reminders regarding CollegeCounts as tax season winds down:

Alabama State Income Tax Deduction

- ▶ 2022 contributions to CollegeCounts may be deductible for Alabama taxpayers up to the following limits:
 - \$5,000 for individuals
 - \$10,000 if married, filing jointly and both spouses contribute¹
- ▶ Report your 2022 contributions on Alabama Form 40, Part II, Line 8
- ▶ Keep documentation of your contributions in the event of questions or audit
- ▶ Don't delay on 2023 contributions - log in at **CollegeCounts529advisor.com** to set up an automatic contribution today

2022 Withdrawal Reporting

- ▶ Tax Form 1099-Q was mailed in late January for withdrawals completed in 2022
- ▶ Log in at **CollegeCounts529advisor.com** to view/download a copy of your 1099-Q if you requested a withdrawal last year
- ▶ Keep documentation of your qualified expenses² with your tax paperwork
- ▶ Please discuss any required tax filings with your tax professional

Invest your Tax Refund

- ▶ If you expect to receive a state or federal tax refund, consider a contribution to CollegeCounts with some or all of those dollars

Education Tax Credits

- ▶ Don't forget about the American Opportunity and Lifetime Learning Credits if you paid any college expenses in 2022
- ▶ Only expenses paid out-of-pocket are eligible for those tax credits (expenses covered by withdrawals from your CollegeCounts account are not eligible)
- ▶ Review IRS Publication 970 for more information

Gift Tax Return – IRS Form 709

- ▶ 2022 contributions to a CollegeCounts account over \$16,000 (\$32,000 if married) may require IRS Form 709 to be filed
- ▶ The gift tax exclusion increased to \$17,000 (\$34,000 if married) beginning January 1, 2023
- ▶ Discuss any large gifts and reporting requirements with your tax and financial advisors

We encourage you to discuss any tax-related questions with your tax professional and financial advisor and visit the Tax Center at **CollegeCounts529advisor.com** for more information.

E-Delivery Signup

Save paper and receive statements faster by signing up for e-Delivery! Simply log into your account at **CollegeCounts529advisor.com** and choose e-Delivery Settings to edit your delivery preferences. You will receive email notifications when statements are available to retrieve through the portal and you can log in to access your quarterly statements and tax forms at your convenience. E-Delivery is a convenient and secure way to receive important information and updates about your CollegeCounts account.

CollegeCounts Financials

Each year, an independent accounting firm performs an audit of the CollegeCounts 529 Fund financial statements. You can view the latest audited financial statements at **CollegeCounts529advisor.com**. Select "FAQ's" at the top of the homepage and find the link under the question, "Where can I obtain a copy of the audited financial statements?".



Graduation Is Approaching

Need a gift idea for that deserving graduate you know? Support their future education by contributing to their CollegeCounts 529 account! It's an excellent way to encourage their long-term growth and success while helping defray the costs of college. Whatever field they decide to pursue, your contribution can be an impactful action they appreciate for years to come.

CollegeCounts also makes it easy to suggest a gift contribution to family members or friends who might be looking for the perfect gift for your graduate, too. Simply log into your account at CollegeCounts529advisor.com and select the "GiftED" link to quickly send them an email invitation that they can use to contribute to your beneficiary's account. The recipient of the GiftED link can easily make an electronic contribution from their bank account or they can contribute by mailing a check to CollegeCounts. All invitations and contributions will be recorded in your GiftED history so that you can easily find and acknowledge any gifts received.

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 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.

¹ 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.

² 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.

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

(*except the Bank Savings 529 Portfolio underlying investment)

529 Check-up

Regular check-ins with a doctor are an important part of maintaining our health. In the same way, regularly checking in with your financial advisor can be an important part of maintaining your financial health. If it has been a while since you have met with your financial advisor, we encourage you to schedule a time to visit with them and to include your 529 savings plan as an important part of your financial well-being. It is a great way to help you see where you are at, and to create a plan for where you want to go.

Spring Clean Your 529

As Spring arrives and we spring clean our homes and yards, consider cleaning up your 529 account as well. Is your address up to date? Do you have security questions on your account? Are you receiving paper statements or digital? Log in at CollegeCounts529Advisor.com and review/update the information under Account Profile, Web User Settings, and e-Delivery Settings. Now is a great time to revisit these things and update the information for your account!




CollegeCounts
ADVISOR-GUIDED 529 FUND

"An investment in knowledge pays the best interest."

— Benjamin Franklin