

Withdrawal Reminders

One of the ways CollegeCounts tries to make your summer better is by making it easy to use your funds for education expenses. Requesting funds is fast, easy, and secure for both you and your financial advisor. As you start preparing for the fall semester, there are a few things that can be helpful to remember:

- ▶ You can quickly request your withdrawal by logging into your account at **CollegeCounts529advisor.com** and selecting "Transact Online".
- ▶ Funds can only be distributed to three places: The Account Owner, the Beneficiary, or directly to the college. When sending funds to the Account Owner or Beneficiary, we can distribute those funds via check to their address on file or to their bank account on file, as long as it has been on file for at least 15 days.
- ▶ Your funds can be used at hundreds of eligible schools. A school must be accredited by the U.S. Department of Education and eligible to participate in Federal financial aid programs in order to be considered as an eligible educational institution. To see if your school qualifies, complete a search at <https://studentaid.gov/fafsa-app/FSCsearch>.
- ▶ Qualified expenses include tuition, fees, books, supplies and equipment required for the beneficiary's enrollment or attendance, computers and related equipment and software, as well as internet access for the beneficiary. You can also use the funds for room and board as long as the student is enrolled at least half-time. Special needs services for a special needs beneficiary's enrollment or attendance may also be qualified.¹
- ▶ CollegeCounts typically processes withdrawals within 1 business day, but it can take 7-10 days for a check to reach its destination. It may also take the school a day or two to process the payment. We recommend making your withdrawal ahead of any payment deadlines to ensure that your funds arrive on time.
- ▶ If you choose to have the distribution sent electronically to your bank, funds will generally be available in your bank account 3-5 days after the distribution is processed, depending on your bank's requirements.
- ▶ You should only withdraw funds for the named beneficiary's qualified expenses¹. However, the plan offers flexibility to change the beneficiary to another family member of the current beneficiary, if needed.
- ▶ It is our understanding that all distributions from the account must be used within the same calendar year that the expenses are incurred.
- ▶ We recommend keeping all documentation and receipts of your qualified expenses¹ for tax purposes. You do not have to provide any proof or documentation of expenses to CollegeCounts.

For more helpful and in-depth information, visit **CollegeCounts529advisor.com/plan-benefits/use-of-funds** or visit with your financial advisor. We hope you have a wonderful, worry-free summer and that your students enjoy the upcoming school year!

Test your CollegeCounts Knowledge!

1. Which of these is considered a qualified expense?
 - a. Parking Pass
 - b. Laptop
 - c. Plane ticket to get to school
 - d. Desk chair
2. Can you use your 529 funds to pay for housing off-campus?
 - a. Yes
 - b. No

See reverse for answers



Update Your Address Book

Effective July 24th, CollegeCounts will have a new mailing address for overnight deliveries:

Overnight Mailing Address:
CollegeCounts 529
1248 O Street – Suite 200
Lincoln, NE 68508

Regular Mailing Address

(continue to send to):

CollegeCounts 529
PO Box 85290
Lincoln, NE 68501

Please update your records with the new physical address for any overnight or expedited deliveries to CollegeCounts. Continue to use the PO Box for contribution checks or forms sent via the U.S. Postal Service.

Tax Holiday

Every year, Alabama has a Back-to-School Sales Tax Holiday where you can buy items needed for school without paying the Alabama state sales tax on those items (local sales tax may still apply). This is a great opportunity to stock up on the supplies that you or your student will need for the school year. This year's tax holiday runs from July 21st-23rd in participating counties and municipalities throughout Alabama. To see a list of participating counties and what items qualify for the tax exemption, visit the Alabama Department of Revenue's website at Revenue.Alabama.gov and search for "school sales tax holiday." Don't miss this opportunity to save money on your essential school items!

Forgot Your Password?

We all know the frustration of trying to log into our account only to realize that we have forgotten our password. This is why CollegeCounts has made it easier than ever to reset your password! With the addition of Multi-Factor Authentication, you can now simply choose the Forgot Password option and follow the instructions to reset your online access password. If you are still experiencing difficulties or no longer have access to the phone number that your Multi-Factor Authentication is tied to, give us a call at your convenience and one of our client service representatives would be happy to assist with your online access after verifying some account information. We can be reached Monday through Friday, 7am to 7pm CST, at 866-529-2228.

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 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 nonqualified 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)

Do you have a Successor Account Owner?

When it comes to our children and their future, it can be a great comfort to know that they will be provided for, even if we cannot be there to see it for some reason. One of the tools available with your CollegeCounts account is the ability to name a Successor Account Owner. The successor would take over ownership of your 529 account in the event of your death. While it is not required to name a Successor Account Owner, it does ease the process and provide a level of assurance that your money will be used as intended to fund your Beneficiary's education. You can also name a different successor for each account you own. If a successor is not designated, your estate would provide direction if something happens to you. If you would like to add, change or review your current Successor Account Owner information, simply log in at CollegeCounts529advisor.com.

Answers

- 1. b. Laptop!** Computers, peripheral equipment, computer software, or internet access and related services are qualified expenses if used primarily by the beneficiary during any of the years they are enrolled at an eligible educational institution.
- 2. 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.


CollegeCounts
ADVISOR-GUIDED 529 FUND

“Summertime is always the best of what might be.”

— Charles Bowden