

Deadline Approaching for 2023 Contributions

To make a 2023 contribution that is eligible for the Alabama state income tax deduction¹ keep the following in mind:

- ▶ Contributions to CollegeCounts by Alabama taxpayers can be deducted up to \$5,000 for individuals; and up to \$10,000 if married, filing jointly and both spouses contribute.¹
- ▶ The 2023 deadline to contribute is December 31, 2023. Make a note that December 31st falls on a Sunday this year. Be sure to get a mailed contribution to the post office in time for a 2023 postmark.
- ▶ Log into your account at **CollegeCounts529advisor.com** to make an electronic contribution. A contribution made after the markets close on Friday, December 29th but before 11:59 pm, CT on December 31st will be invested on Tuesday, January 2nd, but will be coded as a "Prior Year Contribution".
- ▶ Invite friends and family to contribute to your loved one's CollegeCounts account using GiftED. Log into your account at **CollegeCounts529advisor.com** and select "GiftED" in the menu on the left. A contribution to CollegeCounts makes a great holiday gift and Alabama taxpayers may be eligible for the Alabama state income tax deduction¹.

2023 Gifts

The current Federal Gift Tax exclusion is \$17,000 per person, or \$34,000 for married couples. If you plan to make a large gift to your beneficiary's CollegeCounts account, we recommend doing so either online or via check by December 20th to allow sufficient time for the funds to clear your bank account before Friday, December 29th (the last business day of 2023). Please discuss any tax-related questions with your tax professional.

Considering a 2023 Rollover?

If you have an out-of-state 529 plan, be sure to discuss the rollover option with your financial advisor to learn more. Rollover contributions to your CollegeCounts account(s) from an out-of-state 529 plan can count towards your Alabama state income tax deduction.^{1,2} The rollover check from the out-of-state plan must be dated and postmarked in 2023 to qualify as a 2023 contribution. If you would like to start that process, work with your financial advisor to complete the Rollover Form. Now is a great time to request a rollover for 2023, as it can take 2-4 weeks for the other plan to complete the process. We recommend reaching out to the out-of-state plan to learn about any potential fees or penalties that may apply to a rollover out of that plan.

Upcoming Investment Option Change

In November, the Credit Suisse Commodity Return Strategy will be replaced by the Parametric Commodity Strategy in the Age-Based, Target and Individual Fund portfolios. No action is required by investors for the upcoming changes. Changes made by the plan should not be considered an investment option change to accounts for Federal income tax purposes. For more detailed information please review the Program Disclosure Statement supplement and keep it with your important plan documents. You may also reach out to your financial professional for assistance.



Any Outstanding 2023 Qualified Expenses³?

If you paid any qualified expenses³ out-of-pocket in 2023, you can request reimbursement from your CollegeCounts account before the end of the year. It is our understanding that expenses and withdrawals should be matched in the same calendar year for tax purposes. Withdrawals for 2023 must be completed before 3 pm CT on Friday, December 29th (the last business day of 2023). We recommend keeping records of all receipts, invoices and other documentation of your expenses in case of questions or an audit. We also recommend reaching out to your financial advisor and/or tax professional with any withdrawal or tax-related questions.

CollegeCounts Scholarship Reminder

The application period for the CollegeCounts Scholarship for the 2024-2025 school year will open on December 1, 2023. Awards of \$4,000 will be available to students attending a 4-year college in Alabama, and awards of \$2,000 to students attending a 2-year college in Alabama. Our aim is to award at least two scholarships in every county in Alabama each year and we are proud to have awarded over \$10.5 million to over 3,000 Alabama students over the last 11 years. Visit <https://treasury.alabama.gov/collegcounts-scholarship/> to learn more. Set a reminder for any high school seniors you know to submit their application starting December 1st!

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 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.

³ 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)

**"Success is the sum of small efforts,
repeated day in and day out."**

— Robert Collier

Give the Gift of Education

If someone close to you is searching for the perfect gift idea for your beneficiary, consider suggesting a contribution to CollegeCounts! We can take the stress out of gift-giving with GiftED. Log into your account at CollegeCounts529advisor.com and select "GiftED" to email an easy-to-use link to your family and friends allowing them to make contributions either electronically or by mailing a check to CollegeCounts. Every gift will help your beneficiary pay for future education expenses³. Learn more by visiting CollegeCounts529advisor.com/benefits/give-a-gift/.

Received a Refund from a College?

If you received a refund from an eligible educational institution after a withdrawal from your CollegeCounts account there are a couple of options available to you:

1. Use the refund for other qualified expenses³ in the same calendar year.
2. Recontribute the refunded amount to your CollegeCounts account within 60 days of the date of the refund. The amount recontributed cannot exceed the amount of the refund.

We recommend visiting with your financial advisor for more information about withdrawals from your account and the recontribution of refunded amounts. You can also find some helpful information at the Tax Center at CollegeCounts529advisor.com/resources/tax-center. Be sure to discuss any tax-related questions with your tax professional.

