



**College
Counts™**

Informer

Alabama's 529 Fund
Newsletter

3rd Quarter 2025

End the Year on a High Note — Maximize Your 2025 Tax Savings

As 2025 winds down and holiday plans ramp up, there's one deadline you won't want to miss. Contributions received by CollegeCounts on or before December 31st may be eligible for an Alabama state income tax deduction.¹

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

Contributions sent by mail must be dated and postmarked by December 31st to qualify as a 2025 contribution. Similarly, 2025 contributions made online must be completed by 11:59 pm CT on December 31st.

Every dollar you contribute before the ball drops on New Year's Eve could offer potential tax benefits—while also helping set your child up for future success.

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

5/29 Day Giveaway Winners

Congratulations to the 29 Alabama families who were randomly selected to receive a \$529 contribution into a CollegeCounts account for their newborn child as part of the CollegeCounts 5/29 Day Giveaway.

CollegeCounts is proud to help these newborns take their first step toward a bright educational future.

2025 Withdrawal Deadline - Act Now

Need a withdrawal for a 2025 college expense?

We recommend requesting any withdrawals for 2025 qualified expenses 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.² We recommend keeping all receipts, invoices, and documentation of your qualified expenses in the event of questions or audit.

Log into your account at CollegeCounts529.com to request a withdrawal.

Be sure to discuss any tax-related questions you may have with your tax professional.


Calling Alabama Parents & Grandparents — Enter the First Grade First Step Giveaway

If you're a parent or grandparent of a first grader in Alabama, here's your chance to jumpstart their college savings journey with a little help from CollegeCounts!

The **First Grade First Step Giveaway** is back, and CollegeCounts is excited to give away up to 20 monthly contributions of \$100 each to CollegeCounts 529 accounts throughout the 2025-2026 school year.

Parents and grandparents only need to register once to be eligible for the drawings throughout the school year.

Visit CollegeCounts529.com/firstgrade to enter before the deadline.



"Behind every young child
who believes in themselves is
a parent who believed first."

Rollover Your Out-of-State 529 Plan Before Year-End

As the end of the year approaches, it's the perfect time to review your college savings strategy. If you have an out-of-state 529 plan, consider a rollover into your CollegeCounts account that could make managing your child's future education expenses easier and more efficient.

Why consolidate now?



Streamlined management: Fewer accounts mean less paperwork and easier tracking.



Potential tax benefits: Contributions made to CollegeCounts by December 31st may qualify for an Alabama state income tax deduction.^{1,3}



Simplified withdrawals: One account means one login, one process, and less stress when it's time to pay tuition.

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.

CollegeCounts Scholarship – Applications Accepted Beginning December 1st

Do you know a student who will be starting college in fall 2026 at an Alabama college or university? **Encourage them to apply for the CollegeCounts Scholarship.**

Starting December 1st, applications will be accepted for the 2026–2027 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 take the next step toward a brighter future.



**Application period:
December 1, 2025 – February 28, 2026**



**Learn more and apply at:
Treasury.Alabama.Gov/CollegeCounts-Scholarship**

The CollegeCounts 529 Fund is a qualified tuition program under Section 529 of the Internal Revenue Code that is offered by the State of Alabama, administered by the Board of Trustees of the ACES Trust Fund (the "Trust" and plan issuer), marketed as the CollegeCounts 529 Fund, and Union Bank and Trust Company serves as Program Manager. 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 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 and Trust Company, 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.

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 Program Disclosure Statement (issuer's official statement), which can be obtained by calling 866.529.2228 and at CollegeCounts529.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 actually 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 \$10,000 in 2025 (increasing to \$20,000 in 2026) 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 ten percent (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)**

CollegeCounts529.com | 866.529.2228

CollegeCounts™
Alabama's 529 Fund



Offered by the
State of Alabama

UBT 529 SERVICES, a division of
UBT
Union Bank & Trust
Program Manager