

1st Quarter 2013

## Tax Reminders

April 15th is right around the corner! As a final reminder, Alabama taxpayers who made a 2012 contribution to the CollegeCounts 529 Fund may be eligible for an Alabama State income tax deduction. Alabama taxpayers filing jointly may be able to deduct up to \$10,000 (up to \$5,000 for individuals). Anyone who made a contribution to CollegeCounts last year is eligible to take the Alabama State Income Tax Deduction, so remind any family members or friends who contributed to your account to notify their tax professional of the contributions they made. Line 8 of Part II of the Alabama Form 40 is titled "Payments to the Alabama College Education Savings Program". 2012 contributions to the CollegeCounts 529 may be reported here.

Contributions to the CollegeCounts 529 Fund do not generate any tax forms from the program for the Alabama State income tax deduction. You will want to use your statements and confirmations as record of any contributions you made in calendar year 2012 for Alabama State income tax purposes. Year-to-Date Contributions for last year can be found on the 4th Quarter 2012 statement that you received in January. Keep in mind that year-to-date contributions are reported on each of your quarterly statements on a "cash" basis, which means the total amount of contributions

received in 2012 will be provided on your 4th quarter statement. If you mailed a contribution to us that was dated and postmarked on or before December 31, 2012 but didn't reach us until early 2013, that contribution will not appear on your 4th quarter statement since it was not deposited in 2012. It would be listed as a "Prior Year Contribution" on your 1st Quarter 2013 statement and would need to be added to the 2012 YTD total on your 4th Quarter statement for 2012 Alabama state income tax deduction purposes. Similarly, if you made any Prior Year Contributions in January 2012 for 2011 tax deduction purposes, you will need to subtract those contributions from your 2012 YTD total to determine your 2012 tax deduction amount. Your transaction history and account statements are available online if you need to reference the information while preparing to file your taxes.

If you made a large gift in 2012 or took advantage of the special 5-year front-loading gift election allowed for 529 plans, make sure to mention these to your tax professional. They can help you determine if any special IRS filings are required. Typically, a Form 709 is required in order to have a large gift to a 529 account split over a 5 year period. **The deadline for filing is April 15, 2013.**

Be sure to check with your tax professional for more information or advice regarding the tax benefits for investing with CollegeCounts.

## The Perfect Gift for a Bright Future

Do you have family and friends looking for a perfect gift for the Beneficiary of your CollegeCounts account? Suggest giving a gift that will last a lifetime – the gift of education. A contribution to CollegeCounts makes a great gift for an upcoming graduation, birthday or special occasion. To make a contribution to an existing CollegeCounts account visit our website, select "the perfect gift" and download one of our special occasion coupons or gift certificates. Contributors simply need to make a check payable to "CollegeCounts", drop it in the mail to us at the address provided, and feel good that they have helped make the future a little brighter for your Beneficiary. A gift of any size to a CollegeCounts account can have a big impact on your loved one's educational goals!

## Go Green! Sign up for E-Statements today!

Online Statements are an easy way to keep track of your CollegeCounts account without any paper clutter. If you have not signed up for e-statements yet and would like to "Go Green" you can simply log into your account at our website to sign up today. Please contact us at (866) 529-2228 if you would like assistance accessing your account online.



Offered by the  
State of Alabama

**UNION BANK**  
& TRUST COMPANY.  
Program Manager

## Market Update

The financial markets closed out a strong 2012 and have continued to surge in the 1st quarter of 2013. While everyone loves to see positive gains in their accounts, it's important that you are comfortable with your investment allocation regardless of the market performance. CollegeCounts provides a variety of investment options from a diverse group of well-known mutual fund families. You should review your allocation periodically to ensure it matches your risk tolerance and time horizon. The IRS allows you to make 1 investment option change every calendar year or upon the change of the account beneficiary. An investment strategy that has served investors well over the years is to remember that "Time In" the market vs. "Timing" the market has yielded positive long-term investment results. With the quality Age-Based, Target and Individual Fund Portfolios offered through CollegeCounts, investors will find investment options to help them meet their long-term investing goals.

## CollegeCounts 529 Rewards Visa Card

Looking for another way to save more for college? With the CollegeCounts 529 Rewards Visa Card you earn 1.529% back on all your eligible purchases. Once you've accumulated \$50 or more in rewards, the funds will be automatically added to the CollegeCounts 529 account(s) you designate each quarter. For more information or to apply online visit our website.



## Invest Your Tax Refund

If you will be receiving a Federal or State tax refund, consider depositing it into your CollegeCounts 529 Fund account. Your Alabama and Federal tax form will provide a section that allows you to have your refund deposited directly into a bank account.

**Here is the information you will need:**

Routing Number:

104910795

Type of Account:  Savings

Account #:

3529

\* after 3529 include your 9 or 10 digit CollegeCounts 529 Fund account number

**Thank you for investing with CollegeCounts!**

The CollegeCounts 529 Fund is a qualified tuition program under Section 529 of the Internal Revenue Code that is sponsored 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 of the Advisor Plan. Accounts and investments under the CollegeCounts 529 Fund are not insured or guaranteed by the FDIC, the State of Alabama, the State Treasurer of Alabama, the Board, the Trust, the Program, Union Bank & Trust Company, Northern Trust Securities, Inc., or any other entity.

**Before investing, you should consider the investment objectives, risks, fees, expenses, and tax consequences associated with the Program. All of this information is contained in the Program Disclosure Statement. Please read it carefully before investing. For a copy, call 866.529.2228, visit the plan website, or contact your investment professional.**

**If you or your beneficiary is not an Alabama resident, consider whether your home state or the home state of your designated beneficiary offers a qualified tuition program that provides a state tax deduction or other benefits to residents who invest in that program.**

**Not FDIC Insured    May Lose Value    No Bank Guarantee**

**CollegeCounts**<sup>SM</sup>  
Alabama's 529 Fund