

# Inform

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

4th Quarter 2013

## 2013 Alabama Tax Reporting

If you contributed to your CollegeCounts account in 2013, up to \$10,000 of your contributions are tax deductible for Alabama tax purposes (\$5,000 for single filers). Keep in mind that any Alabama taxpayer who may have made a contribution to your account is eligible to take advantage of the Alabama income tax deduction. If family members or friends made contributions to your account, be sure to remind them to tell their tax professional about their contribution.

Contributions to CollegeCounts are reported on Form 40 for Alabama tax deduction purposes. Check with your tax professional and the Tax Center on the CollegeCounts site for additional information regarding 2013 tax reporting.

This is a great time to start contributing to CollegeCounts to benefit from the 2014 Alabama income tax deduction. A monthly automatic contribution is an easy way to build additional savings without having to remember to mail a check or contribute online. Simply log in at **CollegeCounts529.com** to set up a contribution of \$25, \$50, \$100 or more each month in 2014. Don't put off your contributions - Start Now!

## Withdrawals in 2013 (IRS Form 1099-Q)

IRS Form 1099-Q will be mailed to any recipients of a 2013 withdrawal from a CollegeCounts account by the end of January 2014. If you requested a withdrawal in 2013, watch for your 1099-Q to arrive in late January or early February. If the distribution was payable to the account owner, the 1099-Q will be mailed to the account owner. If funds were paid to the beneficiary or to the college directly, the beneficiary will receive the 1099-Q.

**We recommend that you keep your college expense invoices and receipts** with your tax papers in the event there are ever any questions about your withdrawal. You should consult your tax professional for more information or for specific advice.

## 2013 Gift Tax Reporting

If you made larger gifts in 2013 (ie: typically over \$14,000), don't forget to mention them to your tax professional so they can determine if any special IRS filings are required. If you took advantage of the special 5-year front-loading election allowed for 529 plans, please notify your tax professional so they can prepare any necessary Gift Tax Return. **The due date for filing is April 15, 2014.**

## 2013 Morningstar Rankings

CollegeCounts 529 Fund Direct Plan was very pleased to have been recognized for the second year in a row with a Bronze Rating by Morningstar when they released their rankings in October. We are committed to offering an excellent 529 program to investors in Alabama and nationwide and were proud to have been recognized again by Morningstar as having one of the best programs in the country.

*"Where this plan sets itself apart is with its broad lineup of well-run individual options. Of that set of 20 investments, 17 are rated by Morningstar analysts, and all of those receive Gold or Silver ratings. The majority are Vanguard index funds providing exposure to various asset classes. PIMCO Short-Term Bond and PIMCO Total Return are actively managed standouts with Morningstar Analyst Ratings of Gold, while Fidelity Advisor Investment Grade Bond and T. Rowe Price Balanced Portfolio garner Silver ratings."*

*"This plan recently achieved a three-year record, with the majority of options outperforming peer averages."*

*--Morningstar, October 2013*

## CollegeCounts Audited Financial Statements

The latest audited financial statements for the CollegeCounts 529 Fund are available at **CollegeCounts529.com**. Select "FAQ's" at the top of our homepage and scroll down to the question "Where can I obtain a copy of the Audited Financial Statements?" to view the financials for the last two years.



Offered by the  
State of Alabama

UBT 529 Services a Division of  
**UNION BANK**  
& TRUST COMPANY.  
Program Manager

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## 2013 Year-to-Date Contributions

Your 4th Quarter 2013 statement provides the Year-to-Date Contribution totals for your account. The "YTD Contributions" detail includes all contributions received and invested during 2013. If you mailed a contribution in late December 2012 that was invested in January 2013 as a "Prior Year Contribution" for 2012, you would need to subtract the amount of that contribution to determine the amount eligible for the 2013 Alabama income tax deduction. Similarly, if family members or friends made contributions to your account, you would also need to subtract those contributions because each contributor is eligible to take the Alabama income tax deduction for any contributions they made.

If you mailed a contribution in late December 2013 that was invested in January 2014, as a "Prior Year Contribution" for 2013 that contribution would not be reflected on your 4th Quarter statement. You would need to add that contribution amount to the YTD Contributions total for Alabama tax deduction purposes. Any "Prior Year Contributions" for 2013 will appear on your 1st Quarter 2014 Statement.

Please don't hesitate to contact us at (866) 529-2228 if you have questions or need assistance in determining the amount of your 2013 contributions eligible for the Alabama income tax deduction.

## 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: 

1	0	4	9	1	0	7	9	5
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Type of Account: **Savings**

Account Number: 

3	5	2	9								
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\*after 3529 include your 9 or 10 digit CollegeCounts 529 Fund account number

## Second Semester Withdrawals

Do you need to request a withdrawal from your account to pay for second semester college expenses? If so, visit [CollegeCounts529.com](http://CollegeCounts529.com) to submit a secure withdrawal request. Once logged in to your account, you can select the "Withdraw" button to walk through the simple steps. The process takes about 3-5 minutes and you can request that a check be issued to the Account Owner, Beneficiary or directly to the School. We make online withdrawals fast, easy and convenient!

## Utilize GiftED for 2014 Gift Contributions

The new CollegeCounts GiftED feature allows Account Owners to send email invitations to family members or friends to contribute directly to CollegeCounts accounts either online or by mail. GiftED makes it easy for anyone to give a gift that will make a big difference in the life of a future college student. Don't forget to utilize GiftED for any birthdays, holidays or special occasions that your family plans to celebrate in 2014.

## Thank you for investing with CollegeCounts! Best Wishes for the New Year!

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. 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, 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. For a copy, call (866) 529 - 2228 or visit the plan web site. Please read it carefully before investing.**

**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

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