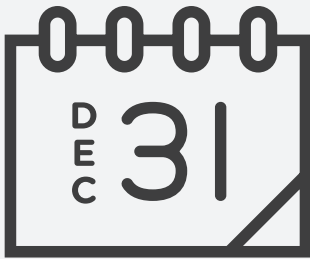


3RD QUARTER 2017



## CONTRIBUTION DEADLINE – DECEMBER 31ST

The end of 2017 is quickly approaching. As you complete the other items on your "To Do" list for 2017, don't forget to contribute to your CollegeCounts account to take advantage of the Alabama state income tax benefits this year.

Contributions are deductible (up to \$5,000 per tax return and up to \$10,000 if married filing jointly and both spouses contribute) if they are postmarked to CollegeCounts on or before December 31st.<sup>1</sup>

Making a contribution is easy. Simply log in at [CollegeCounts529.com](http://CollegeCounts529.com) to make a contribution any time. You can also mail a check payable to CollegeCounts and contribution coupon to PO Box 85290, Lincoln, NE 68501. Investing with CollegeCounts is a great way to help your beneficiary with future college expenses and save on your income taxes at the same time. Don't delay—December 31st will be here soon. Be sure to make your CollegeCounts contributions now and check that task off your "To Do" list today.

## GIFT IDEA FOR FAMILY & FRIENDS

With the gift giving season right around the corner, don't forget to suggest to family members and friends that a contribution to your CollegeCounts account would make an excellent gift for your beneficiary. By making a contribution before December 31st, they can also benefit from the Alabama state income tax deduction for 2017.<sup>1</sup> CollegeCounts makes it easy to for family and friends to contribute. Visit the "Make a Gift" page at [CollegeCounts529.com](http://CollegeCounts529.com) to learn more about GiftED (a simple way for others to contribute to your account) or view and download a variety of gift coupons and gift certificates. Log into your account to send GiftED email invitations to individuals who want to make a contribution to your account. Rather than suggesting a new toy, you might propose the gift of a college education for your beneficiary.

## FOLLOW US

Do you follow CollegeCounts on Facebook? Find us at [facebook.com/CollegeCounts](https://www.facebook.com/CollegeCounts) to get updates and information about the plan, upcoming community events that we attend, as well as informative articles about our favorite topic – saving for college.

## COLLEGECOUNTS SCHOLARSHIP – APPLY SOON

Alabama State Treasurer Young Boozer and CollegeCounts are proud to provide a scholarship opportunity for Alabama students. Over the last 5 years, over \$3.7 million in scholarships have been awarded to deserving Alabama students who are pursuing a college education in the state of Alabama. The application period for the CollegeCounts Scholarship for first-time college freshmen during the 2018-2019 school year will begin December 1, 2017, and applications will be accepted until March 1, 2018. CollegeCounts is committed to providing the opportunity for a college education to deserving Alabama students. Be sure to review the eligibility requirements and encourage your beneficiary to apply for the CollegeCounts Scholarship if he or she will begin college at an Alabama school in fall 2018.

For more information about the CollegeCounts Scholarship please visit Mr. Boozer's website at [Treasury.Alabama.gov/collegecounts-scholarship](http://Treasury.Alabama.gov/collegecounts-scholarship), or check with your high school's counselor.

INVEST *in*  
WHAT'S NEXT

COLLEGECOUNTS529.COM | 866.529.2228



Offered by the  
State of Alabama

UBT 529 SERVICES, a division of

**UBT**  
Union Bank & Trust  
Program Manager

## DO YOU HAVE A 529 ACCOUNT IN ANOTHER STATE?

A rollover to CollegeCounts is a great way to consolidate accounts you might have in another state AND take advantage of tax savings. When you complete a rollover from an out-of-state 529 plan, the amount of the rollover is eligible for the Alabama state income tax deduction up to \$5,000 per tax return and \$10,000 if married filing jointly.<sup>1</sup> The IRS allows one same beneficiary rollover in every 12 month period. If you have not completed a rollover in the last 12 months, consider rolling over now. The rollover check must be postmarked to CollegeCounts by December 31st to qualify for the 2017 state income tax deduction, and the process can take several weeks to complete. Be sure to start the rollover process right away to avoid missing out on the tax benefits that a rollover can provide.

## WITHDRAWALS FOR THE SECOND SEMESTER

If your beneficiary is in college, you may need to withdraw funds from CollegeCounts for 2018 college expenses over the coming months. We recommend that you always match your college expenses and withdrawals from your account in the same calendar year for tax purposes. Withdrawals for any college expenses incurred in 2017 should be withdrawn from an account prior

to December 31, 2017. Similarly, account owners should wait until 2018 to withdraw any funds for 2018 college expenses. Be sure you keep documentation of all your expenses in the event there are questions about your withdrawals in the future.<sup>2</sup>

It's easy to request a withdrawal from your CollegeCounts account after logging in at **CollegeCounts529.com**. Funds can be distributed to the account owner, beneficiary, or directly to the college. CollegeCounts typically processes withdrawal requests within 1 business day, and a check is mailed the following day. We recommend you allow 5-7 days for mail time as well as processing time by the school after they receive the check.

## KIPLINGER'S RECOGNITION

In August, CollegeCounts was proud to have been recognized by Kiplinger's Personal Finance magazine as one of the best 529 plans in the country for 2017. The plan was touted for its wide variety of investment options from well-known mutual fund families. CollegeCounts has been structured to provide an excellent selection of investment options while maintaining a low overall cost. We were excited to see the recognition from a leading publication in the finance industry and will work hard to continue to provide a high-quality program for investors in Alabama and across the country.

## RISK TOLERANCE

The financial markets have continued to perform well in 2017 but do experience periods of volatility. Have you reviewed your investment option lately? We recommend matching your investment approach to your long-term investment goals and adjust that approach as your goals change over time. Our Risk Tolerance Questionnaire can help you better understand your personal risk tolerance. Visit **CollegeCounts529.com** and find the questionnaire under the "Investment Options" link. Answering a few simple questions will help you gauge your comfort level with risk for your CollegeCounts account.

## ONLINE ACCOUNT FEATURES

Managing your CollegeCounts account online is fast, easy, and secure. You can do all of the following online:

1. Make a one-time contribution.
2. Establish or modify an automatic investment plan.
3. Request a withdrawal.
4. Change your investment options.
5. Update address & contact information.
6. Sign up for e-delivery of statements.

If you have not used the online capabilities available at **CollegeCounts529.com**, call us and we would be happy to walk you through the easy set up. You can reach our customer care representatives 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 Program Disclosure Statement (issuer's official statement), which can be obtained by calling 866.529.2228 or from the plan's website 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 that are only available for investments in such state's 529 plan. Investors should consult a tax advisor.***

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 and administered by the Board of Trustees of the ACES Trust Fund (the "Trust" and plan issuer).

<sup>1</sup> 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.

<sup>2</sup> 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; and certain expenses for special needs services needed by a special needs beneficiary.