

2ND QUARTER 2018

First Semester Withdrawal Reminders

Summer is in full swing and we hope you and your family are enjoying every minute! If you have a college student, the fall semester will be starting soon. Here are some withdrawal reminders as you prepare to utilize your CollegeCounts account to pay for upcoming expenses:

- Funds invested in a CollegeCounts account can be used at colleges nationwide (and some foreign schools) which are accredited by the U.S. Department of Education and are eligible to participate in Federal Financial Aid programs. Please visit the FAQs link at CollegeCounts529.com and select “Which schools are eligible institutions?” to search for qualified institutions.
- Qualified expenses include tuition, fees, books, supplies, and equipment required for enrollment or attendance; computers, computer equipment and software, and internet access; certain room and board expenses for students who are enrolled at least half-time; and certain expenses for special needs services by a special needs beneficiary¹. Please review the CollegeCounts Program Disclosure Statement for more details about qualified expenses.
- Withdrawals for room and board can be used to cover both on- and off-campus expenses. Room and board expenses qualify to the extent that they are not greater than the following amounts:
 - » The allowance for room and board, as determined by the eligible educational institution that was included in the cost of attendance (for federal financial aid purposes) for the particular academic period and living arrangement of the student
 - » The actual amount charged if the student is residing in housing owned or operated by the eligible educational institution
 - » We recommend contacting the school for qualified room and board costs
- Keep all receipts, invoices, and documentation of your expenses. You are not required to provide documentation

to CollegeCounts, but will want to keep it in the event of questions or an audit.

- You can request a withdrawal quickly and easily by logging into your account at CollegeCounts529.com.
- CollegeCounts can issue a payment to the account owner, beneficiary, or college. Funds can also be sent electronically to the account owner's bank account which has been on file for at least 10 days.
- Withdrawal requests are processed very quickly—we typically process requests received by 3 PM CT on the same day. Please allow sufficient time for the check to arrive in the mail as well as time for the school to process the payment after they receive it.
- For tax reporting purposes, we recommend that you match all expenses and withdrawals from CollegeCounts in the same calendar year.
- Tax Form 1099Q will be issued in early 2019 for distributions processed in 2018. The 1099Q will be issued to the account owner for any distributions to the account owner or bank account on file. The 1099Q will be issued to the beneficiary for any distributions paid to the beneficiary or college. Check with your tax professional for any filing requirements or tax-related questions you have.
- If the beneficiary receives a refund from the school, it can be re-contributed to their CollegeCounts account within 60 days of the date of the refund as a tax-free transaction.

If you have any questions about your account or the withdrawal process, please feel free to reach out to our Customer Care Center at 866.529.2228 from 7 AM to 7 PM, Monday through Friday.

Program Disclosure Statement Update

The CollegeCounts Program Disclosure Statement has recently been updated. You should have received a copy of the updated document in the mail or by email based on the delivery preferences for your account. We recommend that you review the Program Disclosure Statement and keep it with your other paperwork for the program. You can also visit CollegeCounts529.com to review the updated Program Disclosure Statement at any time.

Maximum Balance Limit Increased

The maximum account balance limit for CollegeCounts has been increased from \$400,000 to \$475,000 per beneficiary. Contributions to an account can be accepted for a beneficiary as long as the balance for all accounts for that beneficiary in all State of Alabama 529 programs does not exceed \$475,000 in aggregate.



Deadline Approaching!

Our favorite day of the year is May 29th: 529 Day! To celebrate, we are giving away 29 contributions of \$529 each to CollegeCounts accounts. If you are an Alabama resident and have a baby who was born between May 29, 2017 and May 29, 2018 we want you to register to win \$529 to help your child get a head start on their college savings! Please visit CollegeCounts529.com/giveaway to review the eligibility requirements and enter. Be sure to act fast—the registration deadline is July 13th! Enter today!

CollegeCounts Educational Videos

CollegeCounts wants to make saving for college as easy as possible! Educational videos can be found on our website that cover topics such as how to contribute, how to withdraw, and where funds can be used. Visit CollegeCounts529.com and select the “Resources” link to see these short, helpful videos.

Family First

According to the National Center for Education Statistics, 33% of college students are “first-generation” students. One of the major deterrents from attending college and obtaining a degree is the financial burden it can leave. Investing with CollegeCounts is a great way to help relieve those financial worries and set our future leaders up for success. Consider making regular contributions with an Automatic Investment Plan. It’s easy to start or increase contributions to your account by logging in at CollegeCounts529.com.

Give the Gift of Education

Give your beneficiary the gift that will benefit them for a lifetime: a college education! CollegeCounts offers GiftED as an easy way for family members or friends to contribute to your account. Simply log in to send an email invitation to those who may want to contribute. The recipient can make an electronic contribution or mail a check to us at any time. Greeting cards and certificates are available on our website for you to notify the beneficiary that a gift has been made to their account. Visit “The Perfect Gift” link at CollegeCounts529.com to review and download the gift notification options.

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).

¹ 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.