



College
CountsSM

Informer
Alabama's 529 Fund
Newsletter

3rd Quarter 2024

Maximize Your Savings

Don't miss out on potential year-end tax benefits!

Here are a few things to keep in mind:

- Contributions by Alabama taxpayers may be eligible for an Alabama state income tax deduction up to \$5,000 for individuals, or \$10,000 if married, filing jointly and both contribute.¹
- Contributions received by CollegeCounts on or before December 31, 2024 can help maximize your tax savings.
- GiftED makes it easy for family and friends to contribute. Simply log into your account at CollegeCounts529.com and select "GiftED" to get started. Contributors who are Alabama taxpayers may be eligible for an Alabama state income tax deduction for their contributions.¹
- Contributions sent by mail must be dated and postmarked by December 31st to qualify as 2024 contributions. Similarly, 2024 contributions made online must be completed by 11:59 pm CT on December 31st.

We recommend reaching out to your tax professional for any tax-related questions that you may have.

First Grade, First Step Giveaway

Registration is open for a chance to win a \$100 contribution into a CollegeCounts account for Alabama first graders! For the fifth consecutive year, we are excited to give away up to 20 monthly contributions of \$100 each to CollegeCounts 529 accounts throughout the 2024-2025 school year. Parents only need to register once to be eligible for the drawings throughout the school year! To learn more about this opportunity and to enter for a chance to win, visit CollegeCounts529.com/FirstGrade today!

Upcoming Withdrawals²

If you have any current or upcoming 2024 qualified expenses, we recommend requesting any withdrawals 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. We recommend keeping all receipts, invoices, and documentation of your qualified expenses in the event of questions or audit. Visit CollegeCounts529.com/plan-benefits/use-of-funds/ for more information. Be sure to discuss any tax-related questions you may have with your tax professional.

Need to roll over an out-of-state 529 account?

FOR 2024 TAX BENEFITS, START THE PROCESS EARLY.

When you roll over an out-of-state 529 account to CollegeCounts you could be eligible for an Alabama state income tax deduction.^{1,3} Make sure to start the process as soon as possible to meet the December 31st contribution deadline. Rollovers can take several weeks, so it's important to plan ahead. Review the various considerations with your tax professional, including any potential recapture of tax deductions received from the original state, as well as whether any penalties or charges may apply. Visit CollegeCounts529.com/rollover to get started.

5/29 Day Giveaway Winners

Congratulations to the winners of the CollegeCounts 5/29 Day Giveaway! Twenty-nine winners were randomly selected to receive a \$529 contribution into a CollegeCounts account for their newborn child. We are excited to help future generations prepare for their education!

CollegeCounts Scholarship

The application period for the CollegeCounts Scholarship for the 2025-26 school year will open on December 1st. If your loved one will be a college freshman in the fall of 2025 at an Alabama college, encourage them to apply for the CollegeCounts Scholarship. Students who are selected as recipients receive scholarships of up to \$2,000 if attending a 2-year college, or up to \$4,000 if attending a 4-year college. Our goal every year is to award at least two scholarships to students in need of financial assistance in EVERY county in Alabama to help propel their education. Applications will be accepted from December 1, 2024 through February 28, 2025. Please visit: Treasury.Alabama.Gov/CollegeCounts-Scholarship/ for more information and eligibility requirements.

Test Your CollegeCounts Knowledge!

1. Can you use your 529 funds to pay for off-campus housing?
 1. Alabama State Income Tax Deduction¹
 2. Tax-Deferred Growth
 3. Tax-Free Withdrawals for Qualified Expenses²
 4. Gift and Estate Tax Considerations
 5. All of the Above
2. What are the tax benefits for investing with CollegeCounts?^{1,2}
 1. The allowance for room and board, as determined by the school, that was included in the cost of attendance (for federal financial aid purposes) for a particular academic period and living arrangement of the student.
 2. The actual amount charged if the student is residing in housing owned or operated by the school.
1. Answer: YES To qualify, the student must be enrolled at least half-time and the expenses for room and board cannot exceed the greater of the following two amounts:
 1. The allowance for room and board, as determined by the school, that was included in the cost of attendance (for federal financial aid purposes) for a particular academic period and living arrangement of the student.
 2. The actual amount charged if the student is residing in housing owned or operated by the school.

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. 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.

¹ 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.

² Withdrawals 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; certain 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); and up to \$10,000 per year in K-12 Tuition 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 10% of the amount withdrawn.

³ Rollovers 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