

Frequently Asked Questions

529 College Savings Accounts for Osage Nation Summer Youth

What is the cost to open the savings account? Nothing, there is not a required cost or match to open the savings account. The funds are provided by the Osage Nation Foundation and the First Nations Development Institute, with support of the Ford Foundation.

Am I required to complete an application? Yes, you may complete the application at the Savings Account event. Osage Nation and ONAC staff will be available to assist you.

What information is required to complete the application? You need your and your child's Social Security numbers as well as both of your dates of birth.

What are the benefits of opening a 529 college savings account? You may open a 529 savings account in virtually any state. If you open your account through the Oklahoma 529 College Savings Plan (<https://www.ok4saving.org>), contributions and any earnings used to pay for qualified higher education expenses are federal and Oklahoma income tax-free. Also, the amount you contribute to the Oklahoma 529 College Savings Plan can be deducted from your Oklahoma taxable income up to a maximum of \$10,000 per year. The funds in a 529 can be used at eligible schools nationwide. The funds held in a 529 college savings plan are invested in the stock market.

From the Center for Social Development at Washington University in St. Louis (they administered an earlier Children's Savings Account pilot project in Oklahoma), additional benefits of opening a 529 include that "federal legislation excludes all tax-preferred education accounts, including 529s, from asset tests in SNAP" (so food stamp eligibility will not be affected). Also, "529 assets are exempted from public benefit eligibility tests in Oklahoma. See *Excluding 529 College Savings Plan accounts from Oklahoma public assistance asset limit tests* (CSD Policy Brief 08-14)." Additionally, when Children's Savings Account funds are held in a 529 plan, there is protection from creditors. Thus, under Oklahoma law, any interest in an Oklahoma 529 account of any person residing in the state shall be exempt from attachment or execution and every other species of forced sale for the payment of debts."

What are the qualified higher education expenses for the Oklahoma 529 College Savings Plan? From the Oklahoma 529 College Savings Plan: "Qualified higher education expenses include tuition, certain room and board expenses, fees, and the cost of books, supplies, and equipment required for the enrollment and attendance of the Beneficiary at an eligible educational institution. Computers and related technology such as internet access fees, software or printers are also qualified education expenses. The student must be the primary user of the equipment.

Qualified higher education expenses also include certain additional enrollment and attendant costs of a beneficiary who is a special needs beneficiary in connection with the



beneficiary's enrollment or attendance at an eligible institution. For this purpose, an eligible educational institution generally includes accredited postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate-level degree or professional degree, or another recognized postsecondary credential."

What happens if your child does not attend trade school or college?

From the Oklahoma 529 College Savings Plan: "If the beneficiary of an Account does not attend college, the Account owner may name another beneficiary for the Account who must be a certain member of the family of the beneficiary that is being replaced. Otherwise, if the funds are withdrawn for a purpose other than to pay for qualified higher education expenses (except in the event of a beneficiary's death, disability, scholarship or attendance at a military academy), or they are treated as withdrawn (for example if an ineligible beneficiary is named) there will be a 10% additional federal tax on the earnings of the Account owner's tax rate."

