

### What Can You Buy With 529 Distributions?

Some of the biggest challenges many face when it comes to education are financial. Luckily, a 529 college saving plan can help. And they're not just for college anymore - added to the tuition eligibility are K-12, private and religious schools. These funds can also be used for four and two-year colleges, trade schools, graduate programs, and some international institutions.

A 529 plan is a college savings plan that allows individuals to save for college on a tax-advantaged basis. State tax treatment of 529 plans is only one factor to consider prior to committing to a savings plan. Also, consider the fees and expenses associated with the particular plan. Whether a state tax deduction is available will depend on your state of residence. State tax laws and treatment may vary. State tax laws may be different from federal tax laws. Earnings on non-qualified distributions will be subject to income tax and a 10% federal penalty tax.

Here's a list of 529 qualified educational expenses:

### Educational Strategy

To take advantage of the 529 distribution for educational costs, you must submit your request for the funds during the same calendar year. If you request cash during the academic year, you may end up owing taxes as a non-qualified withdrawal.

- **Higher Education** - Post-secondary students (after high school) are eligible to participate in the federal student aid program administered by the U.S Department of Education and qualify for the use of 529 funds.
- **Vocational or Trade School** - Culinary students can draw from their 529 accounts to pay expenses related to culinary institute courses. The institution must participate in the U.S Department of Education for federal student aid.
- **Early Education** - K-12 schools, public, private, and religious institutions can now use 529 plan distributions up to \$10,000 per student for tuition.

### Lifestyle and School Supplies

Learning how best to use your 529 distributions while establishing a manageable budget for qualified and non-qualified purchases can be tricky. Here are some tips to keep in mind.

- **Housing** - Campus housing can be paid through 529 distributions, including college room and board fees. Off-campus housing rentals qualify up to the same cost of the room and board on campus.
- **Books and Supplies** - paper, pens, and textbooks required by the specific course are qualified expenses. Schools set the budget limit for books and supplies.
- **Needs and Services** - Special needs equipment and services qualify for 529 distribution. Students using equipment for mobility may be eligible for 529 distribution purchases. Depending on the circumstances, other modes of transportation may also apply.

### Welcoming Technology

Finally, many don't realize that computers and some electronics are included on the list of qualified education expenses. Keep in mind that these items must be required as part of the students' study programs to qualify.

- **Personal Computer** - Computers must be used primarily by the student during any of the years the student is enrolled at the eligible educational institution.
- **Software** - software may qualify as a 529 distribution expense, but only if it's used by the student and required by a class. For example, technical engineering or design classes may involve computerized assignments.
- **Internet** - Lastly, under certain circumstances, internet services can be paid for using 529 funds. Check with your internet service provider (ISP) for more details.

The above tips are sure to help get you started, but make sure to check with the school as well as chat with your financial professional to learn more. As mentioned earlier, each state and school may have different restrictions on using 529 funds. If you are unsure about anything, your plan sponsor may be able to provide some guidance.

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG, LLC, is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright 2024 FMG Suite.



We are proud to be partnered with the largest independent broker dealer in the nation.

## LPL BY THE NUMBERS

**1989**  
LPL was founded in 1989

**22K+**  
Financial professionals served

**1K+**  
Financial institutions partners

**500**  
Ranked no. 440 on the Fortune 500 List

**#1 INDEPENDENT BROKER/DEALER**  
In the United States

**#1 MARKET SHARE**  
Among 3rd-party providers of brokerage services to banks and credit unions

**TOP RIA CUSTODIAN**  
In the United States

**LPL ACROSS AMERICA**  
LPL has more offices in Austin, Houston, Fort Hill, San Diego, and financial professionals located in all 50 states

**7.9M+** Client accounts serviced

**\$1T+** Brokerage and advisory client assets managed or custodied

**24/7** Access to your account information via our mobile app and portal

**\$40M** DEDICATED ANNUAL BUDGET  
We invest in cybersecurity and data privacy to keep you and your data protected from cyberattacks

**150+** CYBERSECURITY PROFESSIONALS to keep you and your clients protected

**ZERO** PROPRIETARY LPL PRODUCTS WITH THOUSANDS OF INVESTMENT OPTIONS

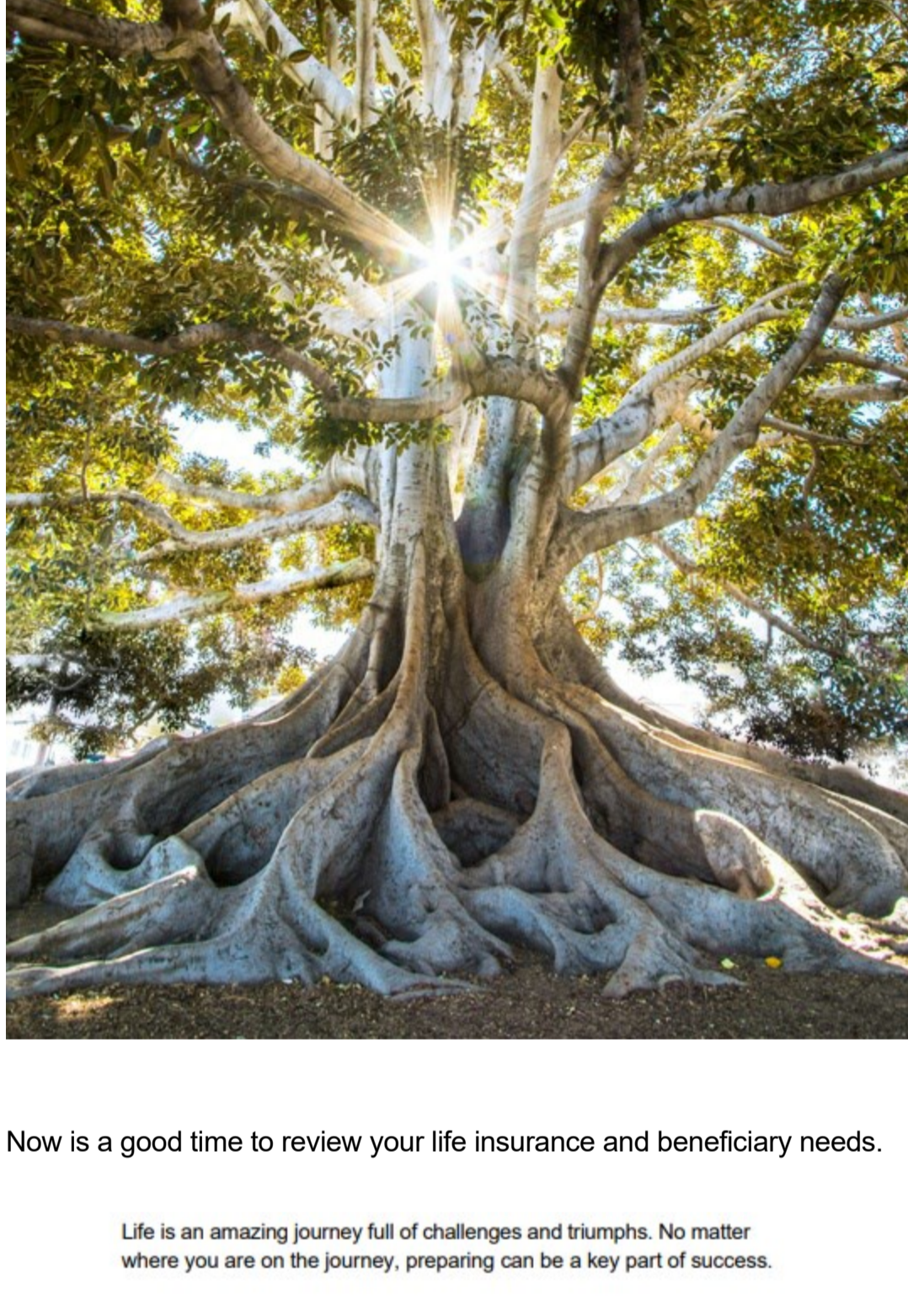
Access to a breadth of investment solutions-- from mutual funds to banks to alternative investments--and fee-based investment programs that your financial professional can leverage to craft your customized portfolio

Source: Investment Research Institute (IRI) 2022  
 1. Based on 2022 revenue by U.S. independent broker-dealers based on a portion of the year-over-total revenue and  
 2. Revenue by financial planning advisor firms, general investment and brokerage firms  
 3. As ranked by Financial Planning Practice Magazine (FPPM) 2022 based on total revenue  
 4. 2023-2022 data for 3rd-party providers of brokerage services to banks and credit unions  
 5. LPL Financial is an Equal Opportunity Employer  
 6. LPL Financial is an Equal Opportunity Employer  
 7. LPL Financial is an Equal Opportunity Employer  
 8. LPL Financial is an Equal Opportunity Employer

LPL Financial

No matter what your life situation is, we have the resources to help.

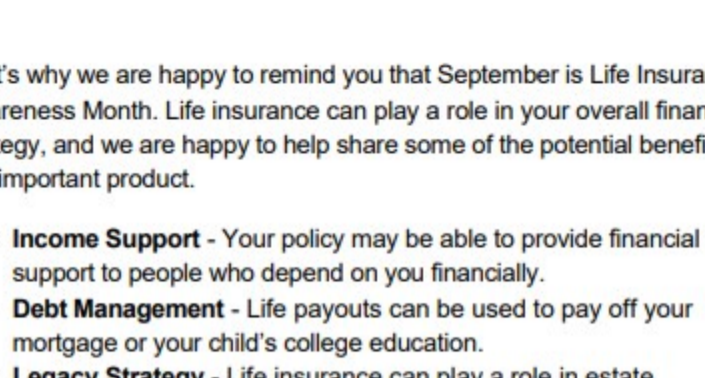
Contact us for the **new contribution limits**.



Now is a good time to review your life insurance and beneficiary needs.

Life is an amazing journey full of challenges and triumphs. No matter where you are on the journey, preparing can be a key part of success.

### The top 3 reasons for not owning life insurance



That's why we are happy to remind you that September is Life Insurance Awareness Month. Life insurance can play a role in your overall financial strategy, and we are happy to help share some of the potential benefits of this important product.

- **Income Support** - Your policy may be able to provide financial support to people who depend on you financially.
- **Debt Management** - Life payouts can be used to pay off your mortgage or your child's college education.
- **Legacy Strategy** - Life insurance can play a role in estate management and perhaps help you leave a legacy for loved ones.

This month, take the time to review your current life insurance coverage or, if you do not yet have life coverage, consider what role it can play in your personal finances. Better yet, talk to us about how your life insurance can more closely align with your long-term financial goals.

Remember, several factors affect the cost and availability of life insurance, including age, health, and the type and amount of insurance purchased. Any guarantees associated with a policy are dependent on the ability of the issuing insurance company to continue making claim payments.

Texting the Office

Now more than ever, staying connected is essential. We are pleased to inform you that we are able to text using the number 507-535-3542.

If we have not interacted with you in the past, we will need you to complete the simple steps below.

#### 1. Save 507-535-3542 as your texting number in your contact records. You can also reach us by phone at this number.

- We recommend that you create a distinct contact record for our business information, including my texting number. Doing so ensures that your business related text message is delivered to the correct number.

#### 2. You will receive an initial text from one of our Administrative Assistants, Tara Monson or Cassidy Chester with Prinvest Advisors with LPL Advisors via our texting number 507-535-3542.

- Reply to that text with the word "Accept". Do not include spaces, dashes or characters.
- We will be able to text with you after we receive your consent.

#### 3. If you have not received an initial text from us, you may send us a text any time at 507-535-3542.

- Send a text message to our office 507-535-3542
- We will receive your message and reply. No consent is required.

#### Please be aware of the following considerations when texting:

- We are not permitted to accept trade or money movement instructions via text message. All trade and money movement instructions must be confirmed verbally.
- Do not send any messages or attachments that contain confidential (ex: Statements) or personally identifiable information (ex: SSN)
- All text messages are 1:1 (no group texting)
- Our admins will text on our behalf from our office number.
- You may text the word "stop" to stop receiving texts from our office.

**\*Text messages will be replied to Monday - Friday, 8:00 AM - 4:30 PM unless it falls on a holiday.**

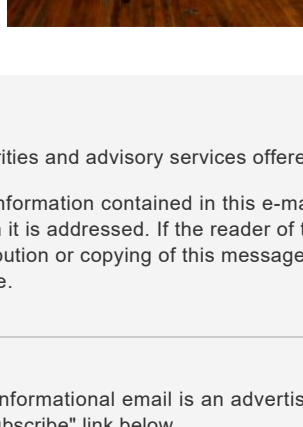
We would LOVE your feedback!

We would love to receive a [Google review](#) or [testimonial](#) regarding your experience you have had with our financial services team. Your feedback is valuable to us as we strive to provide the best possible financial services to our clients.

We are always looking for more clients like you, and your testimonial will help us showcase our [services](#) to others who may benefit from them. If you have a few minutes to spare, please feel free to share your thoughts.

We greatly appreciate any feedback you can provide.

CONTACT US



hello@prinvestadvisors.com  
 5075353542  
 Prinvest Advisors  
<http://www.prinvestadvisors.com>