

Give the gift of education!

Give your friends and family another gifting idea

For birthdays or holidays make gift buying a little easier for your friends and family. Suggest giving the gift of education this year.

Education Planning

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GIVE THE GIFT OF EDUCATION. GIFT TO A 529!

It is the holidays, or your child is having a birthday party and each of your friends and relatives are asking what they can give. Does your child really need a truck full of toys that will just clutter up their closet? What is a parent to do?

If you have already established a 529 account, start by mentioning it to your family members. Just by mentioning that you have a 529 plan set up for your child gives them another way to give. Of course, grandparents will still want to see the excitement in their grandchild's eyes when they open their presents, however, suggest to family members to consider sticking to buying one toy and putting the rest of the funds towards your child's 529 savings plan.

Did you know 529s are the only investment vehicle that allows accelerated gifting? 529 savings plans allow you to make 5 years' worth of gifts in one year without incurring federal gift tax.¹ The annual gift exclusion is \$16,000 (\$32,000 filing jointly) for 2022 allowing you to gift up to \$80,000 (\$160,000 filing jointly) at one time to a 529 plan.

Maximize your gifting and reduce your taxable estate. Near year-end if you are considering making 5 years of gifts at once, wait until early 2023 to do so. This will allow you to still contribute \$16,000 to the 529 for 2022 this year. Then in 2023, elect to accelerate your gift and do the 5-year gift. That way you have removed \$96,000 from your taxable estate.

Completing IRS Form 709 If an individual contributes over \$16,000 (\$32,000, married couples filing jointly) to a 529 account in a single year, you must file a federal gift tax return (IRS Form 709) with your tax return. Please consult your tax advisor.

How do friends and family gift to a 529?

1. A new and convenient way is to purchase a gift card!



Purchase a "Gift of College" gift card at participating stores, online or you may choose to have a physical card delivered to you if you have time. Gift card denominations range from **\$25 to \$200**.

Go to <https://www.giftofcollege.com/purchasegiftcard/> for more details.

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2. Most 529 program managers allow you to invite friends and family to contribute online.

Visit the 529 plan's website to learn how to create an online link that can be shared with your friends and family.

3. Friends and family can download and fill out the 529 programs contribution slip/gift certificate form available on the 529 plan's website. This contribution slip or gift certificate form can be emailed or printed.

Present gift and make a copy:

- Present the original gift certificate to your loved one for a special occasion
- A copy will be needed for the account owner's records or the contributor's records for tax time (depending on the state, the account owner or contributor may qualify for a state tax deduction or credit)

Mail in the check along with the original contribution slip or gift certificate to the 529 plan:

- Make the check payable to the 529 plan's name
- Include the beneficiary's name and account number in the notes section on the check

Investors should consider the investment objectives, risks, charges and expenses associated with a 529 Plan before investing. This and other information is available in a Plan's official statement. The official statement should be read carefully before investing.

Depending on your state of residence, there may be an in-state plan that provides tax and other benefits such as financial aid, scholarships and creditor protection that are not available through an out-of-state plan. Before investing in any state's 529 plan, you should consult your tax advisor.

¹The donor must elect that the gift be treated as having occurred over a five-year period in order for it to qualify for the federal gift tax exclusion. If additional gifts are made to the same Beneficiary during this five-year period, a federal gift tax may apply. If the donor dies within this five-year period, a pro rata share will be included in the donor's estate for federal estate tax purposes. State gift and estate tax laws may vary.