



**College
Counts™**

Informer
Alabama's 529 Fund
Newsletter

1st Quarter 2025

Final 2024 Tax Reminders



Did you contribute to your CollegeCounts 529 account in 2024?

- Alabama taxpayers may be eligible for a state income tax deduction up to \$5,000 for individuals or \$10,000 if married, filing jointly and both spouses contribute.¹
- Review your 2024 Contribution Summary by logging into your account at CollegeCounts529.com and selecting "Statements/Tax Forms". Please review your bank records and account statements to determine your total 2024 contributions.



Did you make a large gift contribution in 2024 (i.e. over \$18,000)?

- Contributions to a CollegeCounts 529 account over \$18,000 (\$36,000 if married) may require IRS Form 709 to be filed with your taxes.
- Discuss any large gifts and reporting requirements with your tax and financial advisors.
- The gift tax exclusion increased to \$19,000 (\$38,000 if married) beginning January 1, 2025.



Did you withdraw from your CollegeCounts 529 account in 2024?

- Withdrawals requested in 2024 are reported on IRS Form 1099-Q. CollegeCounts mailed IRS Form 1099-Q in late January. It is also available via your online access at CollegeCounts529.com.
- The 1099-Q is issued to the Account Owner for any distributions paid directly to the Account Owner. For any distributions paid directly to the Beneficiary OR the college, the 1099-Q is issued to the Beneficiary.

Keep documentation of your contributions, withdrawals and expenses and check with your tax professional if you have questions on filing requirements.

First Grade, First Step Giveaway – Don't Miss Out

Attention parents of first graders in Alabama: Don't forget to register for the chance to win a \$100 contribution to your first grader's CollegeCounts 529 account with the First Grade, First Step Giveaway!

For more details and to register, visit: CollegeCounts529.com/firstgrade.

5/29 Day Giveaway

The 5/29 Day Giveaway is right around the corner!

Beginning on May 29th (5/29 Day) parents, grandparents, or legal guardians of children born across Alabama from May 29, 2024 to May 29, 2025 can enter for a chance to win a \$529 contribution into a CollegeCounts account.

Follow us on Facebook (facebook.com/collegecounts) for updates and details on entering for a chance get a head start on saving for your newborn's future education!

Updated Business Hours

Effective May 1, 2025 CollegeCounts customer service representatives will be available 7am to 6pm CT Monday through Friday.

**"Those who keep learning,
will keep rising in life."**

Charles Munger

Graduation Gift Idea

With graduation right around the corner, consider suggesting a contribution to your CollegeCounts 529 account to any friends or family members who may ask what your student needs.

CollegeCounts GiftED is a simple and secure way for others to contribute to your CollegeCounts 529 account, and contributions by Alabama taxpayers may be eligible for an Alabama state income tax deduction.¹

For more details, visit:

CollegeCounts529.com/plan-benefits/make-a-gift.

Save Early, Save Often

When saving for future education expenses, saving early and often can help you with your long-term investment goals. CollegeCounts offers a number of quality fund families, investment options, and tax benefits to help you make your dreams a reality.

Concentrate on your long-term goals and maintain consistent saving habits rather than focus on potential market unpredictability. We recommend speaking with a financial advisor for personalized guidance in creating and maintaining your financial plan.

Vocational & Trade Schools

If your child is interested in a technical or trade school instead of the traditional 4-year college, there are many options available to them. Your 529 funds can be used tax free for qualified expenses at any trade or vocational school that is accredited and eligible to receive Federal financial aid.² You can use FAFSA's school search feature to find schools that may be eligible by going to: studentaid.gov/fafsa-apply/colleges.

For more information about what expenses might be qualified, visit:

CollegeCounts529.com/plan-benefits/use-of-funds or speak with your tax professional.

CollegeCounts Financials

Every year, an independent accounting firm performs an audit of the financial statements of the CollegeCounts 529 Fund. If you would like to see the latest audited financial statements, visit CollegeCounts529.com and select "FAQ's" at the top of the page. You will find a link to the audited financials under the question, "Where can I obtain a copy of the audited financial statements?".

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 & Trust Company serves as Program Manager. Union Bank and Trust Company is registered as a municipal advisor with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). 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 & 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.

¹Individuals 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.

²Withdrawals 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; 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.

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