



College
CountsSM



Informer
Alabama's 529 Fund
Newsletter



2nd Quarter 2024

Have A Student Attending College This Fall?

If you have a student preparing for the fall semester, CollegeCounts is here to help. Visit CollegeCounts529.com/plan-benefits/use-of-funds/ for detailed information to assist in planning for the upcoming school year. Qualified expenses include tuition, fees and expenses, books and supplies required for enrollment or attendance, computers, room and board (as long as the student is enrolled at least half-time), some special needs services, apprenticeship program expenses and more.¹

When you are ready to withdraw funds, here are answers to some common questions:

- **How do I withdraw funds to pay college expenses?**
Easy! Log in at CollegeCounts529.com and select "Transact Online." When requesting a withdrawal, funds can be sent to the account owner, the beneficiary, or directly to the school.
- **Can I use the funds at "XYZ" school?**
Any school that is accredited by the U.S. Department of Education and is eligible to participate in Federal financial aid programs is considered a qualified educational institution at which you can use your 529 funds. To see if your school qualifies, use the Federal School Code Search at <https://studentaid.gov/fafsa-app/FSCsearch>.
- **How long does the money take to arrive?**
Withdrawal requests received in good order will generally be processed within 1 business day. Funds are sent the following business day. Keep in mind, checks can take up to 7-10 business days to arrive. When sending funds electronically to a bank account, it can take 2-3 business days for funds to arrive, depending

on your bank's requirements. We recommend requesting funds in advance of payment deadlines.

- **Can I withdraw from an account for the beneficiary's sibling?**
You should only withdraw funds for the named beneficiary. However, you can change the beneficiary to another family member if necessary.
- **Anything else I should know?**
We recommend that you keep receipts and documentation of all your qualified expenses¹ for tax purposes. CollegeCounts does not require any proof or documentation of expenses. Be sure to match expenses and withdrawals in the same calendar year.

For more details and information, visit CollegeCounts529.com. Have a great summer!

CollegeCounts Scholarship Winners

Congratulations to the 2024 CollegeCounts Scholarship recipients! This year, we awarded scholarships worth over \$1 million to 298 students entering college in August 2024. CollegeCounts is proud to reward these scholarship recipients for their hard work and dedication to learning, and we look forward to all that they will learn and accomplish during their journey. Over the years, CollegeCounts has awarded millions of dollars to thousands of Alabama students, and we look forward to continuing that investment in our future children. Congratulations and best of luck to all 2024 graduates that are heading into college and the bright futures that await them!

Want To Automate Your Contributions?

When life gets busy, it can be difficult to prioritize contributing to your CollegeCounts account. A simple way to save is to set up an Automatic Investment Plan with CollegeCounts. It's like putting your contributions on autopilot. CollegeCounts gives you the freedom to add funds to your account on a schedule that best fits your budget and busy life. Log in at CollegeCounts529.com, select "Automatic Contributions", then follow the simple steps to establish a recurring contribution.

Test Your CollegeCounts Knowledge!

- 1. True or False:** We recommend matching withdrawals and expenses in the same calendar year.
- 2. True or False:** CollegeCounts funds can only be used at colleges and universities in Alabama.
- 3. True or False:** I can use my CollegeCounts 529 account to pay for my beneficiary's apprenticeship program.

"Learning is a treasure that will follow its owner everywhere."

Chinese Proverb

Alabama Back-to-School Sales Tax Holiday

The Alabama Back-to-School Sales Tax Holiday runs from July 19–21, 2024 in participating municipalities throughout the state. It's a great time to purchase certain school items like computers, clothing, school supplies, and books. Such items purchased during the sales tax holiday are exempt from Alabama state sales tax (though local sales tax may still apply). To see participating counties and municipalities, as well as rules and guidelines, visit the Alabama Department of Revenue's website at Revenue.Alabama.gov and search "2024 school sales tax holiday."

- 1. Answer: False!** It is our understanding that withdrawals should take place the same calendar year as the expense. You can request funds ahead of your expense or reimburse yourself after the expense has been paid. Be sure to keep records of your withdrawals and expenses.
- 2. Answer: False!** Funds can be used at eligible schools nationwide and some foreign schools too.
- 3. Answer: True!** The expenses for fees, books, supplies, and equipment required for the designated beneficiary's participation in an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act are considered qualified expenses¹ from a 529 account.

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 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; 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.

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