

# 529 Basics



## What is a 529 Plan?

A CollegeInvest 529 is an educational savings account designed to help Colorado residents save and pay for higher education, including trade schools, vo-tech schools and apprenticeships. Contributions are eligible for a state tax deduction and savings grow tax-free if used for specific expenses like tuition, room and board, laptops, etc.

## SOME KEY BENEFITS

### TAX BENEFITS

Contributions can be deducted from your state income tax return.\*  
Earnings grow free of federal and state taxes.

Beneficiaries and investments can be changed easily.  
No age or income restrictions and funds never expire.

### FLEXIBILITY

### OWNER CONTROL

Account owner controls the account, including investments, beneficiaries, and withdrawals.

Open an account with as little as \$25. No ongoing contribution schedule or required minimums.  
Auto-contributions/direct deposit options are available.

### EASY TO GET STARTED

## WHO TYPICALLY OPENS AN ACCOUNT?

### Parents

Those who are saving for a child.



### Grandparents

Those who recognize the high cost of education and establish accounts for their grandkids.

### Adult Learners

Anyone seeking further education or additional training for a career transition.



### Everyone Else

Aunts, uncles, friends, literally anybody can open a 529 savings account.

## WHAT CAN A 529 PAY FOR?

- Tuition, including the cost of apprenticeships
- Books, supplies, required fees
- Room & Board (on-/off-housing), meal plans
- Desktops, laptops, or tablets and computer equipment
- Education-based software
- Internet access

*For Student use; some restrictions apply.*

\*\$22,700 per taxpayer, per Beneficiary for Colorado single filers, or \$34,000 per tax filing, per Beneficiary for Colorado joint tax return filers for 2024.

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## WHERE CAN FUNDS BE USED?

Funds can be used to pay for education anywhere in the country, as well as many study abroad programs. Schools or programs that offer student aid through the U.S. Department of Education are all eligible and include:

- Apprenticeships
- Vocational and trade schools
- Community colleges
- Public and private four-year colleges and universities
- Graduate programs



## OUR FOUR PLANS

CollegelInvest offers four different savings plans designed to suit various investment preferences and risk tolerances, ensuring there is an option for nearly every type of saver.

### DIRECT PORTFOLIO



Our most popular plan with a wide range of investments to match your risk preferences.

### STABLE VALUE PLUS



Protects your principal and guarantees an annual rate of return.

### SMART CHOICE



CollegelInvest's FDIC-insured 529 savings plan.

### SCHOLARS CHOICE

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Offers a full range of investment options for those working with a financial professional.

## THE POWER OF COMPOUND INTEREST

Whether you start with \$50 or \$500 per month, the longer you invest, the more you benefit from the compounding returns, turning your disciplined savings into a significant educational fund.



*This hypothetical example illustrates the savings potential with a \$2,500 initial investment and monthly contributions at a 5% annual return.*

## WHO IS COLLEGEINVEST?

CollegelInvest is Colorado's official 529 Savings Program, offering a state tax deduction for contributions by Colorado residents.\* We are dedicated to helping families understand, plan, and save for higher education expenses.

CollegelInvest is a not for profit division of the Colorado Department of Higher Education. We are a self-supporting state enterprise and do not receive any taxpayer funding.

## FIRST STEP PROGRAM

This program offers a \$100 gift for every child born or adopted in Colorado in 2020 or later. We'll match future contributions dollar-for-dollar, up to \$500/year for the next five years. Visit [collegelinvest.org/first-step/](https://collegelinvest.org/first-step/) to learn more and apply.



*To understand CollegelInvest's 529 program, including its objectives, risks, costs, and more, read the Plan Disclosure Statements (PDS) at [collegelinvest.org](https://collegelinvest.org) before investing. Also, verify if your home state provides state tax or other benefits like financial aid, scholarship funds, and creditor protection for investing in its plan. Investments are not insured by CollegelInvest, the State of Colorado, or any agency, and may lose value. This material may become outdated due to legislative, regulatory changes, or new developments. Copyright ©2024*