

## 529 COLLEGE FUNDING DAY

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### Today is 5-29 or 529 College Funding Day!

Although May 25th or 5-29 only occurs once in calendar year, there are two types of 529 plans:

- 529 College Savings Plan, and
- 529 Prepaid Tuition Plans

Today's post is to create awareness around 529 plans. 529 plans allow families to save and invest funds for a child's education and then make tax-free withdrawals to pay for related educational expenses. If you have young children or grandchildren, we encourage you to think about 529 plans if you do not already have one established for college savings. Today, May 29th, is a great day to open a new 529 as many states and providers have incentives in place to reduce the cost of establishing a new plan. If you currently have a 529 account, it's an excellent time to review your college planning goals to determine if you are on track and evaluate if you need to make any necessary adjustments to your existing 529 plan(s).

Some of the benefits a 529 plan can provide are the following:

- 529 savings plans are flexible, tax-advantaged accounts designed specifically for education saving.
- Withdrawals from a 529 plan can be taken to pay for qualified education expenses at the elementary through high school levels, or for college and beyond.
- For college or graduate level education, funds from a 529 plan can be used for tuition, fees, books, supplies, approved study equipment, and room and board for a full-time student at an accredited institution.
- When 529 plan funds are used for the qualified purposes intended, there is no federal income tax on investment gains allowing for tax-free growth of your investment.
- A 529 plan could possibly provide estate tax savings for grandparents who want to help pay for the education of a grandchild or great-grandchild now and might not be around when they are attending college.
- 529 plans provide indefinite flexibility to change beneficiary.

These are just some of the highlights of 529 plans. We always recommend that you do your research and/or speak to your advisor to evaluate which plan type might be most appropriate for you given your goals and financial picture. If you have any questions or want to discuss building a financial plan to meet your financial goals, contact us to schedule a meeting. [info@winthropwealth.com](mailto:info@winthropwealth.com) – 617-530-1010.

### DISCLOSURES

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This information is not intended to be a substitute for individualized tax advice. We suggest that you discuss your specific tax situation with a qualified tax advisor.