Explore the latest ways to save and pay for a child's education with a 529 plan

Fidelity INVESTMENTS



Our speakers



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What is a 529 plan?

Designed to encourage savings for education expenses

Tax-advantaged investment accounts (after-tax contributions, any earnings grow federal income tax-deferred, distributions are federal income tax-free if used for qualified education expenses)

Plans are offered at the state level



Fidelity-managed 529 plans: state sponsors

CHET 529 College Savings Program
Connecticut Higher Education Trust

AZ529
ARIZONA'S EDUCATION SAVINGS PLAN

★ The ★ UNIQUE College Investing Plan℠

MEFA ufund™

EDUCATION SAVINGS PLAN DE529

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Education expenses

Qualified Expenses	Not Qualified Expenses
Tuition	Commuting and transportation
Room and board	Daycare expenses
Books, computer, supplies	Clubs or other activities

For more information on qualified education expenses, including K-12 expenses, apprenticeship costs & student loan repayments, please see a 529 Plan Fact Kit for more information.

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Taxes



No federal income tax on qualified withdrawals

If you withdraw 529 money for qualified education expenses, you pay zero federal income taxes on your withdrawal.



Tax impact on non-qualified withdrawals

If withdrawing for non-qualified expenses, earnings are subject to federal income tax and a 10% penalty.



Tax forms you'll receive

If you take a withdrawal from a 529, Fidelity will send IRS form 1099-Q to the recipient, and the IRS at tax time*.

*Nontaxable distributions from a 529 are not required to be reported on your income tax return. It is up to you to keep records and receipts of your qualified education expenses in case the IRS requests them.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

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Additional uses for 529 plans

- K-12 expenses up to $10K per year*
- Student loan repayment up to $10K lifetime of beneficiary*
- Trade schools and apprenticeship programs*
- Up to $35K toward a Roth for the beneficiary**
- Opportunity to change beneficiary+
- Options for those who get a scholarship or attend U.S. Military Academy

*For more information on qualified education expenses, including K-12 expenses, apprenticeship costs & student loan repayments, please see a 529 Plan Fact Kit for more information.

**Beginning January 2024, the Secure 2.0 Act of 2022 (the "Act") provides that you may transfer assets from your 529 account to a Roth IRA established for the Designated Beneficiary of a 529 account under the following conditions: (i) the 529 account must be maintained for the Designated Beneficiary for at least 15 years, (ii) the transfer amount must come from contributions made to the 529 account at least five years prior to the 529-to-Roth IRA transfer date, (iii) the Roth IRA must be established in the name of the Designated Beneficiary of the 529 account, (iv) the amount transferred to a Roth IRA is limited to the annual Roth IRA contribution limit, and (v) the aggregate amount transferred from a 529 account to a Roth IRA may not exceed $35,000 per individual. It is your responsibility to maintain adequate records and documentation on your accounts to ensure you comply with the 529-to-Roth IRA transfer requirements set forth in the Internal Revenue Code. The Internal Revenue Service ("IRS") has not issued guidance on the 529-to-Roth IRA transfer provision in the Act but is anticipated to do so in the future. Based on forthcoming guidance, it may be necessary to change or modify some 529-to-Roth IRA transfer requirements. Please consult a financial or tax professional regarding your specific circumstances before making any investment decision.

+See a 529 Plan Fact Kit for details on changing beneficiaries. Participants can transfer an account to benefit an eligible member of the original beneficiary's family, tax free and penalty free.

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Ways to contribute

Transfer between Fidelity accounts

Contribute money from another Fidelity account. Typically completes on the same day

Electronic funds transfer (EFT)

Electronically contribute funds from a non-Fidelity account. Completes in 1-3 business days.

Mobile check deposit

Deposit checks in seconds with the Fidelity Investments app.

Bank wire

Funds are typically available next day if the wire's done before 4 p.m. ET. May involve fees from your bank.

Recurring transfers

Set recurring, electronic contributions from a linked account or payroll deductions (if offered).

Gifting

Family and friends can gift money online to your 529 account.

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Ways to withdraw/make a payment

Direct Debit

Coordinate with educational institutions to schedule same day or recurring account payments directly to an educational institution in the U.S.*

Pay school directly

Send a check directly to a school. This option may take up to 10 business days.

BillPay

Receive and pay eBills from participating billers. A physical check is typically mailed to the biller. Please allow up to 10 mailing days for your payment to arrive.

Transfer between Fidelity accounts

Move money from your 529 to another Fidelity account. Typically completes the next day.

Bank wire

Funds are typically available next business day if the wire's done before 4 p.m. ET. May involve fees from your bank.

Electronic funds transfer (EFT)

Send funds electronically to a non-Fidelity account. Completes in 1- 3 business days.

*Direct debit requests must be received in good order before the close of the NYSE (normally 4:00 p.m. Eastern time, but earlier on scheduled half-days, during restrictions or suspensions of trading, or other emergencies).

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What is on parents' minds?



Top savings goal

Saving for a child's education is now the top savings goal for parents



Challenges

There continue to be challenges even though saving for college is a key focus



Recent legislations

Expansion in legislation have made 529 accounts more flexible

Fidelity conducted a survey of parents with college-bound children of all ages. Parents provided data on their current and projected household asset levels, including college savings, use of an investment advisor, and general expectations and attitudes toward financing their children's college education. Using Fidelity's proprietary asset-liability modeling engine, the company calculated future college savings levels per household against anticipated college costs. The results provided insight into the financial challenges parents face in saving for college. Any mentions of children "nearing college" refer to questions for parents of children either 15 years of age or older or 10th grade and higher. **Data for the Indicator (number of children in household, time to matriculation, school type, current savings and expected future contributions) was collected by Boston Research Technologies, an independent research firm, through an online survey from April 15–May 15, 2024, of 1,985 families nationwide with children high school age and younger who are expected to attend college or other further education. The survey respondents had household incomes of at least $30,000 a year or more and were the financial decision-makers in their household**. Respondents are weighted to correct for any imbalances between the sample and the population of parents intending to send their children to college. College costs were sourced from the College Board's Trends in College Pricing 2023. Future assets per household were computed by Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and a Fidelity Investments company. Within Fidelity's asset-liability model, Monte Carlo simulations were used to estimate future assets at a 75 percent confidence level. The results of the College Savings Indicator may not be representative of all parents and students meeting the same criteria as those surveyed for the study.

Challenging market and savings prioritization

74%

have started to save for college compared with 58% in 2007

77%

agree that the value of a college education is worth the cost

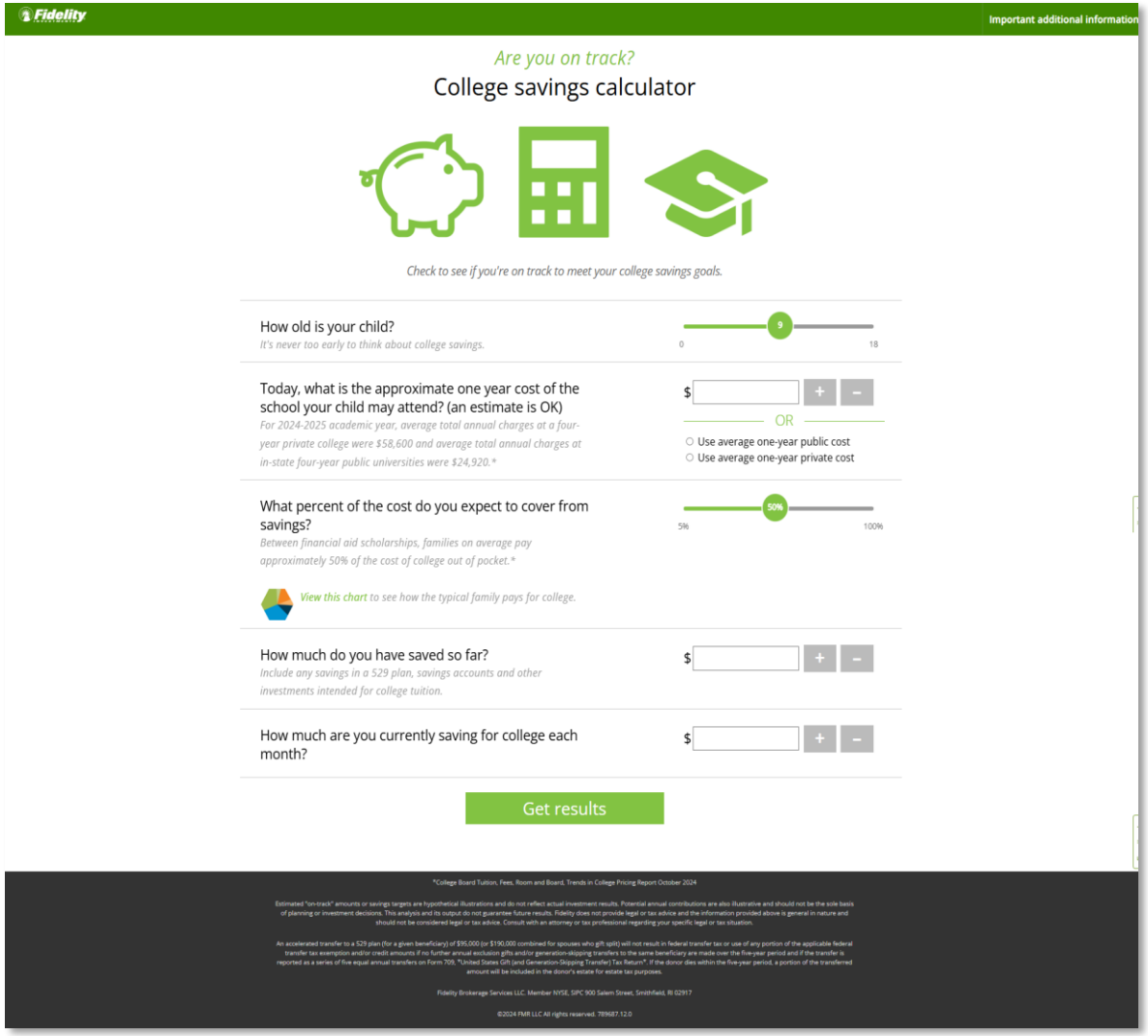
64%

they have a plan in place to reach their college savings goal

84%

say they will continue or increase their regular contributions

Education planning resources

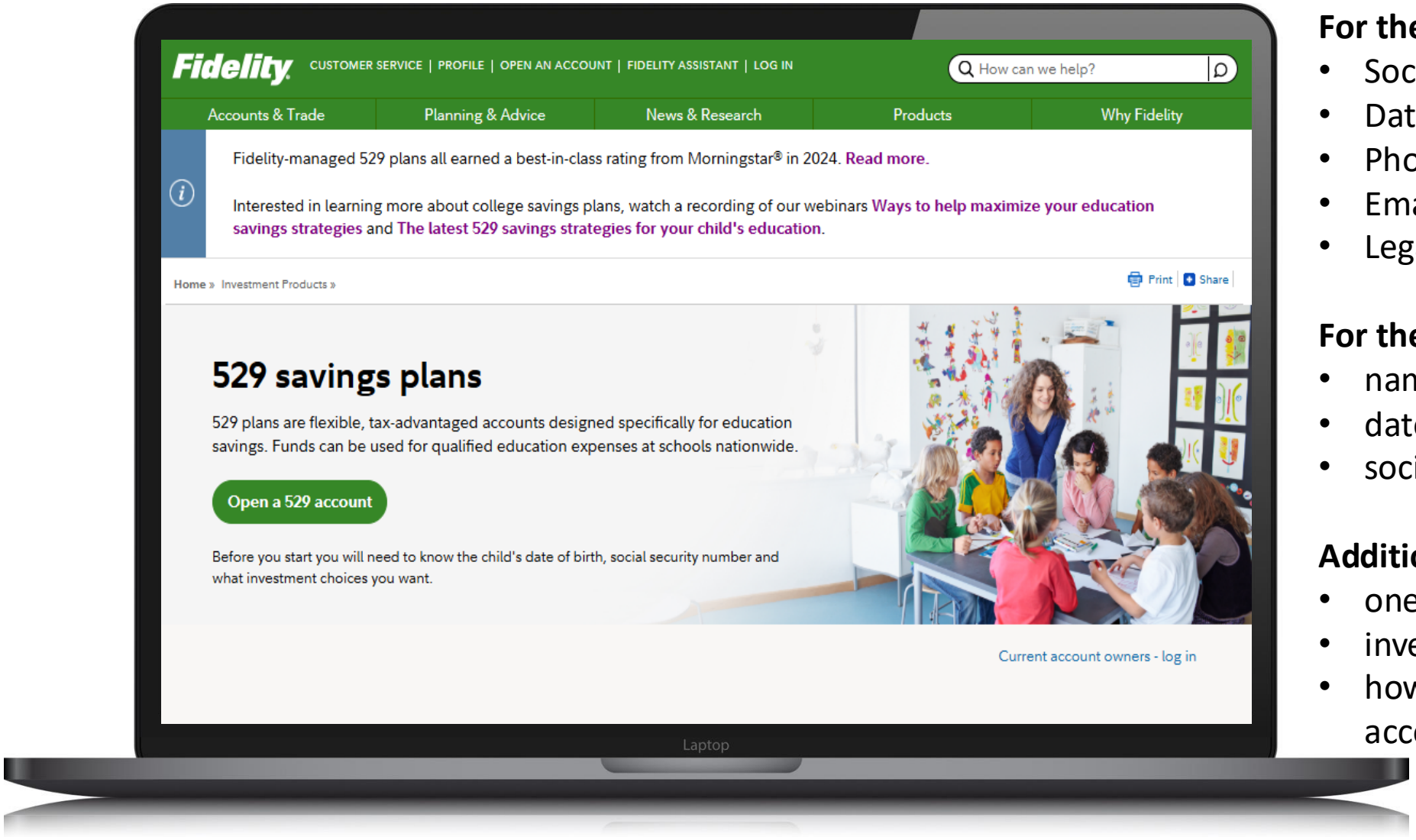




For illustrative purposes only.

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How to open an account - Fidelity.com/529



For the Account owner:

- Social Security Number
- Date of Birth
- Phone Number
- Email Address
- Legal/Mailing Address

For the Beneficiary:

- name
- date of birth
- social security number

Additional Information:

- one of the state plans
- investments
- how you will have this account funded

For illustrative purposes only.

Thank you for attending.

For more information on Fidelity-managed 529 Plans and to open a 529 account visit:
Fidelity.com/529

Important Legal Information

The UNIQUE College Investing Plan, U.Fund College Investing Plan, DE529 Education Savings Plan, AZ529, Arizona's Education Savings Plan, and the Connecticut Higher Education Trust (CHET) 529 College Savings Plan - Direct Plan are offered by the state of New Hampshire, MEFA, the state of Delaware, and the state of Arizona with the Arizona State Treasurer's Office as the Plan Administrator and the Arizona State Board of Investment as Plan Trustee, and the Treasurer of the state of Connecticut respectively, and managed by Fidelity Investments. If you or the designated beneficiary is not a New Hampshire, Massachusetts, Delaware, Arizona or Connecticut resident, you may want to consider, before investing, whether your state or the beneficiary's home state offers its residents a plan with alternate state tax advantages or other state benefits such as financial aid, scholarship funds and protection from creditors.

Units of the portfolios are municipal securities and may be subject to market volatility and fluctuation.

Please carefully consider the plan's investment objectives, risks, charges, and expenses before investing. For this and other information on any 529 college savings plan managed by Fidelity, contact Fidelity for a free Fact Kit, or view one online. Read it carefully before you invest or send money.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

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