

529 Savings Plans:

As most of you are aware, the laws have been changed so that 529 education savings normally used for college may now be used for K-12 tuition. Here are some highlights:

- 529 tuition savings programs have been around for over 20 years and are a tool to save for higher education costs. In 2018, the federal law was expanded to include K-8 tuition.
- Starting in 2018, you may spend up to \$10,000 per calendar year, per student, from a 529 plan on TUITION ONLY for elementary, middle or high school.
- Funds deposited into a 529 qualify for state tax deduction. They do not qualify for federal tax deductions.
- Funds (& earnings) withdrawn for qualified expenses are not taxed on the federal or state level as long as you follow the rules for qualifying expenses (TUITION ONLY at high school level)
- Grandparents, aunts, uncles, etc. may contribute up to their maximum each year into a student's 529 account. This allows others to help offset tuition and receive the state tax benefit.
- Request for disbursements must be in the same CALENDAR year, not academic year, as the expense. ***For the 2021-22 school year, disbursement requests for the first semester would be made in 2021 and requests for the second semester would be made in 2022.***
- You may request the distribution to either yourself or the school. The schools address is:
 - Fr. Tolton Catholic High School
 - 3351 E Gans Rd
 - Columbia, MO 65201
 - Phone 573-445-7700
 - Email : rlloyd@toltoncatholic.org
- If you deposit more than the tuition (state of Missouri tax deductible amount is \$8,000 single or \$16,000 married; maximum amount without tax benefits should be discussed with financial/tax advisor), funds not used for high school may be used for college or funds may be rolled from one child to another child without penalty.
- When withdraws are requested, it may take up to two weeks. As long as you notify the school that the payment is being processed, we will record it as in process. Please do not pay extra for an expedited check fee.
- *When completing the Payment Plan Selection Agreement, please select "Two Payments" and write "529" on the form*
- ***This is an exciting new option for families. These are general highlights, please contact your financial advisor, bank or tax preparer for additional information.***