



529 SAVINGS PLANS

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 TUI-TION ONLY for elementary, middle or high school.
- Funds (and earnings) withdrawn for qualified expenses are not taxed on the federal or state level as long as you follow the rules for qualifying expenses (TUITION ONLY at high school level)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 2024-25 school year, disbursement requests for the first semester would be made in 2024 and requests for the second semester would be made in 2025.***
- You may request the distribution to either yourself or the school.
Fr. Tolton Catholic High School
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Columbia, MO 65201
Phone: 573-445-7700
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- Tax implications, limits and timing should be discussed with financial/tax advisor.
- 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 enrollment or reenrollment forms, select "529".
- This is an exciting new option for families. These are general highlights, please contact your financial advisor, bank or tax preparer for additional information.

If you have any questions please feel free to reach out to Mrs. Lloyd at rlloyd@toltoncatholic.org