

529 COLLEGE SAVINGS PLAN

UTMA (UNIFORM TRANSFERS TO MINORS ACT)

<input type="checkbox"/>	Specifically designed for education expenses	PURPOSE	More flexible; can be used for any purpose	<input type="checkbox"/>
<input type="checkbox"/>	Earnings grow tax-free when used for education expenses. - Some states offer tax deductions for contributions.	TAX BENEFITS	Earnings are subject to annual income tax. May qualify for the "kiddie tax" rules.	<input type="checkbox"/>
<input type="checkbox"/>	Account owner (usually parent or guardian) retains control over the account.	CONTROL	Account custodian manages the assets for the minor until they reach the age of majority, typically 18 or 21.	<input type="checkbox"/>
<input type="checkbox"/>	Must be used for qualified education expenses of the beneficiary.	USAGE	No specific restrictions on usage; can be used for anything that benefits the minor.	<input type="checkbox"/>
<input type="checkbox"/>	Typically, a limited selection of investment options, such as mutual funds.	INVESTMENT OPTIONS	A broader range of investment options, including stocks, bonds, and real estate.	<input type="checkbox"/>
<input type="checkbox"/>	No age restrictions for the beneficiary.	AGE RESTRICTIONS	Typically, the minor gains control of the account at age 18 or 21, depending on the state.	<input type="checkbox"/>
<input type="checkbox"/>	Considered an asset of the account owner (usually a parent), potentially affecting financial aid eligibility.	FINANCIAL AID IMPACT	Considered the asset of the minor, which may have a lesser impact on financial aid eligibility.	<input type="checkbox"/>
<input type="checkbox"/>	Plans vary by state, and residents may receive additional state tax benefits.	STATE-SPECIFIC PLANS	Uniform across states with no specific state tax benefits.	<input type="checkbox"/>
<input type="checkbox"/>	Penalty and taxes on earnings if not used for qualified education expenses. Some exceptions and penalty waivers available.	WITHDRAWALS & PENALTIES	No penalties for non-educational expenses, but earnings may be subject to income tax.	<input type="checkbox"/>
<input type="checkbox"/>	Funds can often be transferred to another eligible family member or rolled into another 529 plan.	TRANSFERABILITY & ROLLOVERS	Funds can't be transferred to another minor and once the minor reaches the age of majority, they gain full control of the assets.	<input type="checkbox"/>
<input type="checkbox"/>	Allows for estate planning strategies, such as front-loading contributions and accelerated gifting.	ESTATE PLANNING BENEFITS	Offers fewer estate planning benefits due to the minor's eventual control over the assets.	<input type="checkbox"/>
<input type="checkbox"/>	Some level of creditor protection in many states.	CREDITOR PROTECTIONS	Limited creditor protection, varies by state.	<input type="checkbox"/>