

529 SAVINGS PLAN PREPARATION CHECKLIST



RESEARCH AND COMPARE PLANS

- **Explore Different States:**
Look at 529 plans from various states to find the best options.
- **Check Fees and Expenses:**
Compare management fees, administrative costs, and investment options.
- **Evaluate Performance:**
Review the historical performance of the plans you're considering.

SET CLEAR FINANCIAL GOALS

- **Determine Savings Target:**
Decide how much you want to save and when you will need it.
- **Consider Education Costs:**
Estimate the future cost of education, including tuition, books, and living expenses.

CHOOSE A BENEFICIARY

- **Select the Primary Beneficiary:**
Decide who will benefit from the plan (e.g., a child, grandchild, or yourself).
- **Consider Future Needs:**
Think about the potential need of changing the beneficiary in the future.

SELECT INVESTMENT OPTIONS

- **Understand Risk Tolerance:**
Choose investment options that match your comfort level with risk.
- **Consider Age-Based Portfolios:**
Look into age-based investment options that adjust as the beneficiary gets older.
- **Diversify Investments:**
Consider a mix of stocks, bonds, and other assets to balance risk and return.

SET UP CONTRIBUTIONS

- **Automate Contributions:**
Set up automatic monthly or annual contributions to stay consistent.
- **Lump Sum Contributions:**
Consider making a one-time contribution if possible.
- **Maximize Tax Benefits:**
Check if your state offers tax deductions or credits for contributions.



UNDERSTAND TAX BENEFITS

- **Federal Tax Benefits:**
Earnings grow tax-free, and withdrawals are tax-free for qualified education expenses.
- **State Tax Benefits:**
Check if your state offers additional tax benefits for contributions.
- **Gift Tax Exclusions:**
Familiarize yourself with the 2025 \$19,000 annual exclusion (or \$38,000 for married couples).

STAY INFORMED AND FLEXIBLE

- **Monitor the Plan:**
Regularly review the plan's performance and make adjustments as needed.
- **Stay Updated:**
Keep up to date with changes in 529 plan regulations and benefits.
- **Be Prepared to Change Beneficiaries:**
Know the process for changing the beneficiary if needed without incurring penalties.

EDUCATE THE BENEFICIARY

- **Teach Financial Responsibility:**
Help the beneficiary understand the importance of saving for education.
- **Discuss Plan Details:**
Explain how the 529 plan works and the benefits it provides.

COORDINATE WITH OTHER FAMILY MEMBERS

- **Communicate with Parents/Guardians:**
Ensure everyone is on the same page regarding the plan's goals and contributions.
- **Encourage Contributions:**
Invite other family members to contribute to the plan.

REVIEW AND ADJUST REGULARLY

- **Annual Review:**
Set a reminder to review the plan annually.
- **Adjust Contributions:**
Increase or decrease contributions based on your financial situation and goals.
- **Rebalance Investments:**
Periodically rebalance your investment portfolio to stay on track.

Important Disclosures:

This material is for general information only and is not intended to provide specific advice or recommendations for any individual.

Please consult with your financial professional and/or tax advisor before investing in a 529 plan.

