

## **529 PLAN INFORMATION FOR TRINITY FAMILIES**

### **What is a 529 plan?**

529 college savings plans began in the mid-late 90s and immediately gained popularity as a tax-free way to save for higher education expenses. Within limits, the earnings on 529 plan investments do not incur federal and sometimes also state taxes, as long as you apply the funds to educational expenses (tuition, fees, books, technology, supplies, etc.)

### **How did the 2018 tax reform bill help the cost of independent school education?**

The change in the new tax law has expanded the definition of “qualified expense” for 529 plans to include tuition-based schools. Independent schools that charge tuition will now be considered an eligible expense and families can use up to \$10,000 per student per year from their 529 savings.

### **What should I do to get started using a 529 plan to pay for LSA tuition?**

- Consult your tax and financial advisor.
- If you already have a 529 plan in place, you can begin applying those funds toward your LSA education right away.
- If you do not have a 529 plan in place yet, now is a tremendous opportunity to begin which could benefit your family now and in the future.
- Consider asking grandparents to contribute to your 529 savings plan.

We encourage you to contact your financial advisor for additional information. If you would like to proceed with funding tuition via a 529 Plan, please contact Jeanna Cornelius at [officemanager@tcsopelika.org](mailto:officemanager@tcsopelika.org).