

2017 EDUCATION PLAN GUIDE

529 Plan	Coverdell Education Savings Account (ESA)	UTMA/UGMA (Custodial) Account
Annual Contribution Limit: \$14,000 per individual (\$28,000 if married). There is a special rule for these plans as a \$70,000 contribution can be made in one year (\$140,000 if married) and prorated over a five-year period with the contributor incurring a gift tax liability or reducing one's unified gift and estate tax credit.	Annual Contribution Limit: \$2,000 per year per beneficiary.	Annual Contribution Limit: \$14,000 per year per beneficiary (\$28,000 if married)
Total Contributions Allowed: Varies by plan – typically between \$350,000 and \$375,000.	Total Contributions Allowed: No limit as long as no more than \$2,000 is contributed each year.	Total Contributions Allowed: No limit as long as no more than \$14,000 (or \$28,000 if married) is contributed each year.
Income Limit to Be Eligible to Contribute: None	Income Limit to Be Eligible to Contribute: For individual filers, they are eligible to contribute if their adjusted gross income (AGI) is under \$95,000. Between \$95,000 and \$110,000, the amount is reduced, and for AGIs over \$110,000, they are no longer able to contribute to this plan. For married filers, if their AGI is under \$90,000, they can contribute the maximum amount. Between \$190,000 and \$220,000, the amount is reduced, and for AGIs over \$220,000, they are no longer able to contribute to this plan.	Income Limit to Be Eligible to Contribute: None.
Use of Funds: Qualified post-secondary education-related expenses, such as tuition, fees, room and board, books, and supplies.	Use of Funds: Education expenses such as required books, tuition and room and board for kindergarten through high school, college and graduate school.	Use of Funds: Any use that benefits the child.
Control: Owner maintains control of the assets, decides when withdrawals will be made, and can make beneficiary changes.	Control: Beneficiary may assume control at age of majority, typically 18 or 21 in most states.	Control: Beneficiary assumes control at age of majority, typically 18, 21, and 25 in some states.
Investment Options: Varies by plan – some have static portfolios, age-based portfolios, or ability to build a portfolio using a list of specific funds chosen by the plan provider.	Investment Options: No limitations.	Investment Options: No limitations.
Changes to Investments: They can be changed twice each calendar year or when beneficiary is changed.	Changes to Investments: They can be changed anytime.	Changes to Investments: They can be changed anytime, but each transfer is usually a taxable event.
Tax Treatment: Earnings accumulate on a tax free basis and withdrawals for qualified post-secondary education expenses can be accessed tax-free.	Tax Treatment: Earnings accumulate on a tax free basis and withdrawals for qualified elementary, secondary and post-secondary education expenses can be accessed tax-free.	Tax Treatment: For beneficiaries under age 19 and full-time students under age 24 whose earned income is less than one-half of their support, the first \$1,050 of earnings is tax-free. Earnings between \$1,050 and \$2,100 are taxed at the child's rate; earnings above \$2,100 are taxed at the parents' rate.
Penalties on Non-Qualified Withdrawals: Ordinary income taxes plus a 10% federal tax penalty on earnings.	Penalties on Non-Qualified Withdrawals: Ordinary income taxes plus a 10% federal tax penalty on earnings.	Penalties on Non-Qualified Withdrawals: Not applicable. Funds can be withdrawn at any time for any reason as long as it is for the benefit of the child.
Ability to Change Beneficiaries: Yes, to another member of the family.	Ability to Change Beneficiaries: Yes	Ability to Change Beneficiaries: No
Rollovers: Permitted once every 12 months or when beneficiary is changed.	Rollovers: Permitted once every 12 months.	Rollovers: Not applicable.

This material is for informational purposes only as it is not individualized and not intended to serve as the primary or sole basis for your decisions as there may be other factors you should consider. Please contact your financial advisor regarding the application of these issues to your business and individual circumstances.