

THE TOP 10 THINGS EVERYONE SHOULD KNOW ABOUT 529 SAVINGS PLANS



Here are 10 reasons why many parents and grandparents have selected 529 savings plans to help invest for future education expenses.

1] Pay for more than just tuition

Savings can be used for more than just tuition, think books, supplies and even dorm rooms. Savings can also be used for certain certified apprenticeship expenses and K-12 tuition expenses.¹

2] Ability to change beneficiaries

Need to switch who's getting the money? No problem, you can change the beneficiary to another family member (including siblings, grandchildren, nieces, nephews, cousins and more).

3] Control of assets

The person who opens the account—not the beneficiary—maintains control of the assets, including how and when they will be used.

4] Contribution flexibility

Many 529 plans allow account owners to contribute as little as \$25 to an account.²

5] Wide range of schools

Your 529 plan isn't just for traditional four-year colleges. Whether your child dreams of becoming a physical therapist, a journalist, or an engineer, these savings can be used at a variety of educational institutions including two-year colleges, trade schools and technical programs across the country.¹

6] No income restrictions

Anyone can open a plan regardless of their income.

7] Multiple investment options

Most 529 plans offer a wide range of investment choices allowing you to invest your assets in the portfolio(s) that best suit your education investing goals.

8] Convenience

Many 529 plans offer features that make them a convenient way to save for college, including monthly recurring contributions and portfolios that automatically rebalance as the beneficiary gets closer to college.³

9] Earnings grow tax free

Contributions into a 529 plan grow tax-free, and withdrawals for qualified educational expenses are also tax-free. This could add up to more savings for families like yours.¹

10] Easy gifting

Grandparents, aunts, uncles and family friends can easily contribute to your child's NJBEST plan, making it the perfect gift for birthdays, holidays or celebrating achievements. Five years worth of gifts (up to \$90,000 for an individual or \$180,000 if a married couple) can be made at once to a 529 plan without owing federal gift tax, as long as no other gifts are made to the same beneficiary over the five years.

Tax benefits are conditioned on meeting certain requirements. Federal income tax, a 10% federal tax penalty, and state income tax and penalties may apply to nonqualified withdrawals of earnings. Generation-skipping tax may apply to substantial transfers to a beneficiary at least two generations below the contributor. Gift examples are general; individual financial circumstances and state laws vary—consult a tax professional before investing. If the contributor dies within the five-year period, a prorated portion of contributions may be included in their taxable estate. See the Program Description for more complete information.



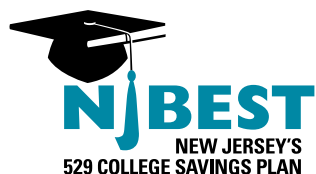
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by visiting [NJBEST.com](https://www.njb529.com)**
or call (877) 4NJ-BEST/465-2378.

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1. 529 plans offer tax-free earnings and federal tax-free withdrawals, for qualified expenses. The Federal Tax Cuts and Jobs Act (TCJA), which was signed into law in December 2017 and became effective January 1, 2018, expanded the definition of a qualified higher education expense to include up to \$10,000 (federal tax-free withdrawals) per year in tuition expenses at private, public and religious elementary and secondary schools (K-12). The state tax consequences of using 529 plans for elementary or secondary education tuition expenses will vary depending on state law and may include recapture of tax deductions received from the original state and may also include taxes and penalties. Some states do not offer state tax deductions or tax credits for K-12 tuition, and other restrictions may apply.

2. Source: www.savingforcollege.com, January 2024.

3. Periodic investment plans do not ensure a profit and do not protect against investment loss in declining markets. Since dollar-cost averaging involves continuous investment in securities regardless of fluctuating price levels of such securities, an investor should consider his/her financial ability to continue purchasing through periods of low-price levels. Rebalancing cannot assure a profit or protect against loss in a declining market.



TURN A DREAM INTO A DEGREE®

WITH NJBEST NEW JERSEY'S 529 COLLEGE SAVINGS PLAN

- **New Jersey state tax deduction**

For families with a gross income of \$200,000 or less, NJBEST offers a state income tax deduction on contributions up to \$10,000 per year. This benefit can help reduce your taxable income while you save for your child's future educational needs.⁴

- **Matching grant program**

You may qualify for a **one-time grant of up to \$750**, matching your initial deposit dollar-for-dollar.⁵

- **Scholarship opportunity**

Boost your savings with a **tax-free scholarship** of up to **\$6,000** depending on how long the plan has been open and how much has been contributed.⁶

- **Low contribution requirement**

An NJBEST college savings plan can be opened with as little as \$25.⁷

- **Won't interfere with New Jersey financial aid**

Plan assets of up to \$25,000 won't be included in determining a beneficiary's eligibility to receive financial aid awarded by the state of New Jersey.⁷

- **Creditor protection**

Under New Jersey law, plan assets are generally exempt from claims of creditors and excluded from an estate in bankruptcy. Please see footnoted exceptions.⁸

- **Flexible investment strategies**

The plan offers multiple investment strategies to meet your individual investment needs.⁹



Ugift is a convenient, free-to-use service that lets friends and family contribute to a student's NJBEST plan account. Learn more at Ugift529.com.

4. The New Jersey College Affordability Act allows for a state tax deduction for contributions into an NJBEST 529 College Savings Plan of up to \$10,000 per year, for those with gross income of \$200,000 or less. The maximum deduction is \$10,000. Because each investor's circumstances are different, please consult your tax professional for more information about considerations that may be relevant to your particular situation.

5. Taxpayers with household adjusted gross income between \$0 and \$75,000 may be eligible for a one-time grant of up to \$750 matched dollar-for-dollar of the initial deposit into an NJBEST account for accounts open on or after June 29, 2021. Visit HESAA.org for terms and conditions and how to apply. This program is subject to available funding.

6. Investing in a Franklin Templeton 529 College Savings Plan does not guarantee admission to any particular elementary or secondary school or to college, or sufficient funds for elementary or secondary school or for college. The scholarship is only available for college and is awarded any fall or spring semester of college. The scholarship may be awarded only once to an eligible beneficiary. The NJBEST scholarship is provided by the New Jersey Higher Education Student Assistance Authority.

7. Please read the *Program Description* for more information.

8. Exceptions include: cases of fraudulent conveyance, claims under an order for child support and punitive damages awarded in a civil action arising from manslaughter or murder. Please note that, depending on the circumstances, the laws of states other than New Jersey may determine the rights of creditors in a bankruptcy involving plan assets.

9. The plan is managed by Franklin Mutual Advisers, LLC, an affiliate of Franklin Distributors, LLC. Plan portfolios generally invest in funds managed by affiliates of Franklin Mutual Advisers, LLC. An investment in Franklin Templeton 529 College Savings Plan is an investment in a municipal security that may invest in one or more underlying mutual funds. It is not an investment in shares of the underlying mutual fund(s), which could include Brandywine Global Investment Management, LLC, ClearBridge Investments, LLC, Martin Currie Inc., Putnam Investments, Clarion Partners, K2 Advisors, Royce Investment Partners and Templeton, subsidiaries of Franklin Templeton, Inc.

All investments involve risk including possible loss of principal.

Investors should carefully consider plan investment goals, risks, charges and expenses before investing. To obtain the *Program Description*, which contains this and other information, call Franklin Distributors, LLC, the manager and underwriter for the plan, at (877) 4NJ-BEST. You should read the *Program Description* carefully before investing and consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds and protection from creditors that are only available for investments in its qualified tuition program.

The Program and its associated persons make no representations regarding the suitability of the Program's investment portfolios for any particular investor. This material is intended to be of general interest only and should not be construed as individual investment advice or a recommendation by Franklin Distributors, LLC. Other types of investments and other types of education savings vehicles may be more appropriate depending on your personal circumstances.

NJBEST New Jersey's 529 College Savings Plan is offered and administered by the New Jersey Higher Education Student Assistance Authority (HESAA); managed and distributed by Franklin Distributors, LLC, an affiliate of Franklin Resources, Inc., which operates as Franklin Templeton.

Investments in NJBEST are not insured by the FDIC or any other government agency and are not deposits or other obligations of any depository institution. Investments are not guaranteed by the State of New Jersey, Franklin Templeton, or its affiliates and are subject to risks, including loss of principal amount invested. Investing in the plan does not guarantee admission to any particular primary, secondary school or college, or sufficient funds for primary, secondary school or college.

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