

## 529 plan qualified expenses

The following are typically classified as qualified educational expenses for 529 plan funds:



### **Tuition & fees**

*(eligible institutions also include online schools)*



### **Room & board**

*(must be enrolled at least half the time)<sup>1</sup>*



### **Books**

*(physical and ebooks required to participate in a class)<sup>1</sup>*



### **Supplies**

*(ex: lab supplies, scantrons, etc. required by a class)<sup>1</sup>*



### **Computers & related equipment**

*(including software and internet service used for school)<sup>1</sup>*



### **Student loan repayment**

*(with a lifetime limit of \$10,000)<sup>2</sup>*

## Eligible schools & programs

- K-12 (up to \$10,000/yr. in 2025, \$20,000/yr. effective in 2026)<sup>2</sup>
- Colleges
- Graduate schools
- Universities
- Trade & vocational schools<sup>2</sup>
- Private or public institutions
- In- or out-of-state, including many abroad
- Online schools
- Certified apprenticeship programs<sup>2</sup>
- Recognized postsecondary credential programs<sup>2</sup>

As of June 2025. Information shown is not all inclusive; qualified expenses and eligible schools and programs may change. Eligible postsecondary educational institutions are those that participate in a student aid program run by the U.S. Department of Education. Check the Database of Accredited Postsecondary Institutions and Programs (DAPIP) or the Federal Student Loan Program List to look for a school.

## FAQs

### Q. If my child needs a tutor, could the 529 be used to cover the costs?

**A.** For K-12, tuition for tutoring or classes outside the home may be considered a qualified expense if certain conditions are met such as the tutor is a licensed teacher or meets certain other criteria. Otherwise, tutoring is generally not a qualified expense as it's not required to attend a school. However, if the student has special needs that require learning assistance, you should discuss with a qualified tax professional.

### Q. Are any K-12 expenses besides tuition considered qualified?

**A.** The definition of qualified expenses for elementary and secondary expenses was expanded in July 2025 to include curriculum and curricular materials; books and other instructional materials; online educational materials; tutoring (under certain conditions as noted above); fees for standardized achievement tests, advanced placement exams or college admissions exams; fees for dual enrollment in an institution of higher education; and educational therapies for students with disabilities provided by a licensed provider.

### Q. What if my State does not conform to using 529 withdrawals for some of these qualified expenses?

**A.** The federal tax code allows for certain expenses to be considered "qualified" for 529 plan withdrawals, meaning withdrawals used to pay these expenses are free from federal income tax. However, not all qualified expenses at the federal level are considered qualified at the state level. In other words, while federal tax law may allow for tax-free withdrawals

for K-12 tuition, for example, a state may not recognize those expenses as qualified and could impose taxes on the withdrawals or recapture prior state tax deductions taken. You should consult with your tax advisor as to what expenses the state in which you reside considers as qualified.

### Q. What if my student receives a scholarship?

**A.** If the beneficiary of a 529 receives a scholarship, the amount of the scholarship can be withdrawn from the 529 without the 10% penalty, but you would still be required to pay taxes on the earnings portion of the withdrawal. Note that withdrawals from a 529 plan account come out pro-rata (return of principal and earnings). The earnings portion of the withdrawal may be taxable if not used for a qualified expense whereas the principal portion is federal tax-free.

### Q. Are travel expenses covered if my child goes to school out-of-state?

**A.** Transportation and travel costs such as gas and transit passes are generally not considered a qualified expense. An exception to this may be if the school charges a travel or transportation cost as part of a comprehensive tuition fee or a fee that is classified as required for enrollment.

### Q. If my child lives off campus, are those costs covered?

**A.** Qualified room and board costs include off-campus housing costs as long as the cost does not exceed the room and board budget set forth by the school.

## In addition to those mentioned above, the following are also considered non-qualified expenses:

- College application fees
- Health insurance
- General electronics and cell phone plans
- Sport and fitness club memberships
- Extracurricular activity fees
- Home schooling expenses

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**For more information on 529 plans, visit [nuveen.com](https://nuveen.com)**

<sup>1</sup> Some qualified expenses may only apply to colleges.

<sup>2</sup> Withdrawals for qualified expenses for a public, private or religious elementary, middle, or high school; registered apprenticeship programs; recognized postsecondary credential programs and student loan repayments can be withdrawn free from federal taxes. See the Plan Description for limitations. State tax treatment of withdrawals for these expenses is determined by the state where you file state income tax. The tax consequences of using 529 plans for elementary or secondary education expenses, apprenticeships, credential programs and student loan repayment may include recapture of tax deductions received from the original state as well as penalties.

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