

## Accelerated Gifting

# Reduce Your Tax Burden While Boosting Education Funding

Accelerated gifting through the Scholars Choice Education Savings Plan® allows investors to make a single gift of up to \$190,000 for couples filing jointly (\$95,000 for individuals) per beneficiary – five times the annual gift tax exclusion – without any federal gift tax consequences.

### Taking advantage of this unique tax provision can provide multiple benefits:

- Jump-start or quickly increase education savings for children or grandchildren
- Boost the potential investment earnings of your savings with the power of tax-free compounding
- Significantly reduce the size of one's taxable estate

### Increase contributions, not gift tax

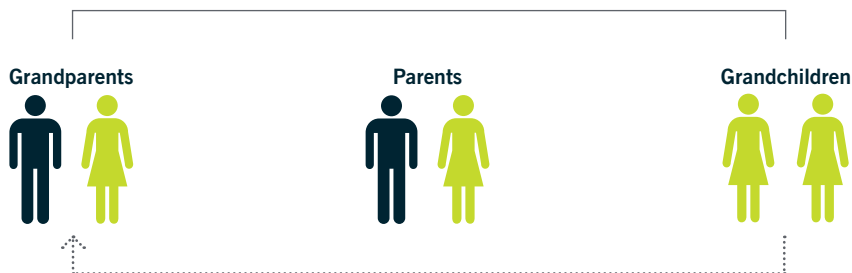
Due to a special forward gifting provision, 529 account owners who are married and filing jointly can contribute \$190,000 per beneficiary by making up to five years' worth of contributions in a single year, without owing gift tax on the contribution.<sup>1</sup>



### Give an educational legacy without giving up control

Grandparents can face unforeseen expenses. As with all 529 plans, account owners can liquidate the account – fully or partially – for any reason, at any time to help meet unexpected expenses.<sup>2</sup>

And because the account owner always retains control of 529 plan assets, the beneficiary can be changed to an eligible family member at any time – if, for example, the grandchild receives a scholarship or does not need the funds for education expenses.



Source: IRS Form 709 Instructions.

<sup>1</sup> Contributions to an account for a beneficiary between \$19,000 and \$95,000 (\$38,000 and \$190,000 for a married couple filing jointly) made in a single calendar year can be prorated over a five-year period without incurring federal gift taxes or reducing an investor's unified estate and lifetime gift tax credit. However, if the account owner perishes before the fifth year, a prorated portion of the contribution will be included in his or her taxable estate.

<sup>2</sup> As a non-qualified withdrawal, the earnings portion would be subject to ordinary income tax plus an additional 10% federal tax penalty.

## Why Scholars Choice®?

**Distinctive experience** – With Scholars Choice, you access the capabilities of two world-class financial organizations, TIAA and Nuveen. TIAA<sup>3</sup> is a pioneer in the 529 industry that brings deep knowledge and demonstrated experience in managing every aspect of a successful 529 program. Nuveen, investment manager of TIAA, offers capabilities that span public and private markets, over five decades of leadership in responsible investing and more than 125 years of experience navigating markets.<sup>4</sup> The team leverages top-tier managers and highly-rated funds to take advantage of investment opportunities wherever they exist – across asset classes and market sectors. For this reason, the majority of portfolios have a smart blend of active and passive underlying funds, seeking to deliver benchmark-beating performance while maintaining competitive fees.

**Uncompromising support** – The Scholars Choice service team is always ready to help—whether it is with opening an account, answering questions or handling requests. In addition, you will find a wealth of resources to help achieve your education saving goals at **[scholars-choice.com](http://scholars-choice.com)**.

The Scholars Choice Education Savings Plan is available nationwide through your financial professional.

**Learn more: [www.scholars-choice.com](http://www.scholars-choice.com)**

<sup>3</sup> TIAA-CREF Tuition Financing, Inc. (TFI) is the education savings division of TIAA.

<sup>4</sup> Nuveen's responsible investing team activities date back to 1990 at TIAA prior to TIAA's acquisition of Nuveen in 2014. TIAA and CREF boards began responsible investing initiatives in 1970 with proxy voting to deal with shareholder proposals on social issues. Statements regarding Nuveen's history include TIAA's history.

Scholars Choice is a registered service mark of CollegeInvest.

The TIAA group of companies does not provide legal or tax advice. Please consult your legal or tax advisor.

The Scholars Choice Education Savings Plan is offered by the State of Colorado. TIAA-CREF Tuition Financing, Inc. is the Plan Manager and Nuveen Securities, LLC is the Distributor.

There are various risks associated with an investment in the Scholars Choice Education Savings Plan; principal loss is possible. The Scholars Choice Education Savings Plan's Investment Portfolios are subject to the risks of the underlying fund(s) in which they invest and other risks, as described in the Plan Description.

***Before investing, carefully consider the investment objectives, risks, charges and expenses of the Scholars Choice Education Savings Plan, including whether the investor's or Designated Beneficiary's home state offers any state tax or other benefits that are only available for investment in such state's qualified tuition program. Other state benefits may include financial aid, scholarship funds, and protection from creditors. For this and other information that should be read carefully, please request a Plan Description at 888-5-SCHOLAR (888-572-4652) or visit [scholars-choice.com](http://scholars-choice.com).***

Participation in the Scholars Choice Education Savings Plan does not guarantee that the account's assets will be adequate to cover future tuition or other higher education expenses, or that contributions and the investment return on contributions, if any, will be adequate to cover future tuition and other eligible education expenses or that a Designated Beneficiary will be admitted to or permitted to continue to attend any eligible educational institution. Contributions to an Account and the investment earnings, if any, are not guaranteed or insured.

State Administrator, Trustee & Issuer



[www.scholars-choice.com](http://www.scholars-choice.com)

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