

Wealth Transfer with a 529 Plan: Give the Gift of Education While Reducing the Value of a Taxable Estate

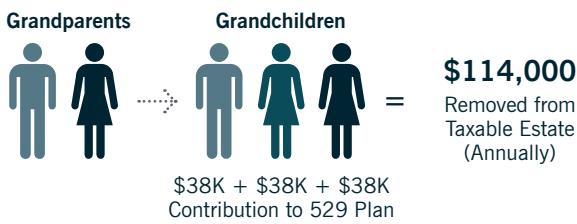
You can help fund the education of your family members and receive powerful wealth transfer benefits with the Scholars Choice Education Savings Plan®. The IRS classifies contributions to a 529 account as completed gifts, so those assets are removed from a taxable estate. However, the account owner retains full control and can change to an eligible beneficiary – or themselves – at any time. This type of tax efficiency with a 529 plan can complement the other wealth transfer techniques you may already be using.

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

- Make saving and paying for education expenses a reality for your loved ones while providing you significant tax advantages
- Significantly reduce the size of your taxable estate to minimize the estate tax burden your heirs will face
- Pass on your belief in the value of education while building a multigenerational legacy

Start a legacy; save on taxes

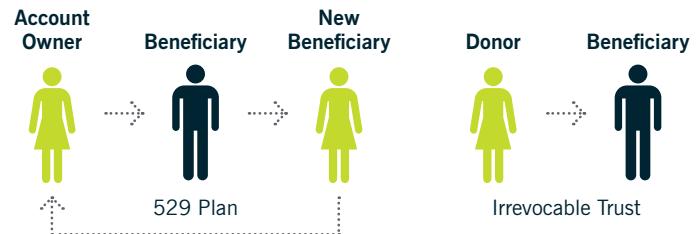
Account owners who are married and filing jointly can contribute up to the federal gift tax limit of \$38,000 per year to any number of 529 plan accounts for any number of beneficiaries. There are no income limits. This offers grandparents a way to rapidly move money out of their taxable estate while helping their children bridge the college affordability gap.



What's more, a couple can gift up to \$190,000 in a single year to a single beneficiary by using the forward gifting provision.¹

More flexibility and control than a trust

Using a typical trust to reduce the size of an estate can be complex, costly and restrictive. And, the investments in the trust are taxed at the highest rate. But account owners retain control over 529 plan accounts even though the assets are removed from their estate. For instance, grandparents can change the plan beneficiary, they can transfer unused assets from one grandchild's plan into another, or even use plan assets themselves. Account holders may close a 529 plan or withdraw funds at any time for any reason. Note: the earnings portion of a non-qualified withdrawal would be subject to ordinary income tax plus an additional 10% federal tax penalty.



Source: IRS Form 709 Instructions.

¹ Contributions to an account for a beneficiary between \$19,000 and \$95,000 (\$38,000 to \$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 dies before the fifth year, a prorated portion of the contribution will be included in his or her taxable estate.

Why choose Scholars Choice®?

Distinctive experience – With Scholars Choice, you access the capabilities of two world-class financial organizations, TIAA and Nuveen. TIAA² 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.³

Active/passive blend – The Plan has a dedicated team of investment professionals focused solely on managing 529 plans. 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**.

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

Learn more: www.scholars-choice.com

² TIAA-CREF Tuition Financing, Inc. (TFI) is the education savings division of TIAA.

³ 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 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.

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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.

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.