

# All College Savings Options



	529 Plans	Everyday Bank Account	Coverdell Education Savings Accounts	UGMA & UTMA Accounts	Roth IRAs	Education Savings Bonds
BASICS	Created by Congress to encourage saving for higher education. 529 Plans are typically state-sponsored and many states offer tax incentives for their residents.	Checking, Savings, CDs.	Precursor to 529 Plans for K-higher education. Not state-sponsored.	Irrevocable gifts to a minor child where the adult is custodian.	Tax-advantaged retirement vehicle that may also be used to fund qualified higher education expenses.	Series EE and Series I Savings Bonds are safe, low interest tools that have extra benefits when used for higher education.
TAX ADVANTAGES	Grows tax-free. Withdrawals are tax-free when used for qualified expenses. Ohio residents can deduct up to \$4,000 per beneficiary, per year, from their state income taxes, with unlimited carry forward.	None.	Savings grow tax-free and remain tax-free when used for qualified expenses.  No state tax benefit.	Earnings are not tax-free as with other options. Consider consulting with a tax-advisor before using.	Grows tax-free. Withdrawals are tax-free when used for qualified expenses.  No state income tax deduction.	Interest is tax-free when the bonds are rolled over into a 529 Plan or redeemed to pay qualified higher education expenses.
WHAT QUALIFIES	Qualified higher education expenses, including tuition, fees, room & board, books, computer and software, internet access, and required equipment or supplies.  Student loan payments up to \$10,000 for the beneficiary lifetime.  K-12 tuition up to \$10,000 per year for qualified public, private, and religious schools.  Certain expenses associated with apprenticeship programs.	Can be used for any purpose.	Can be used for tuition and fees.  Student loan payments are not an eligible expense.  Extensive K-12 expenses are allowed — check with an advisor.	No restrictions as long as the funds are used for the benefit of the minor.	All qualified higher education expenses like tuition, fees, room & board, books, computer and software, internet access, required equipment.	If redeemed to pay for higher education, qualified expense are limited to tuition and required fees. Courses are limited to those required for a degree.
WHERE TO USE	Nationwide at post-secondary schools qualified to receive federal student aid.  Thousands of public and private colleges, community colleges, vocational schools, apprenticeships, certificate programs, and more are included.  K-12 public, private, and religious schools.	Can be used for any school.	Similar to 529 Plans — accredited schools nationwide.  K-12 public, private, and religious schools.	Can be used for any school.	Nationwide at post-secondary schools qualified to receive federal student aid.	If redeemed to pay for higher education, funds can be used at Title IV colleges, universities and vocational schools.
WHO CONTROLS	Any adult over 18 can be the account owner for a student beneficiary: parents, grandparents, other family members or an adult saving for themselves.  Whoever owns the account controls all decisions.	Anyone named on the account.	Similar to 529 Plans.	Once established, the funds belong to the minor and the custodian manages the account.	Retirement accounts are owned and controlled by whoever establishes them.	Parents can purchase bonds for their kids but must register them in their own name without a co-owner.
HOW MUCH	Each contributor can give up to \$15,000 per year — the current federal gift tax limit. Larger contributions can also be made in one year and carried forward for future years.  Maximum account size of \$501,000* — once reached no additional contributions are allowed.  *Updated annually	No limits on personal savings unless opening the account in the beneficiary's name and then gifting limits apply.	\$2,000 annual contribution limit which drops as income rises.	Subject to annual gifting limits, currently \$15,000 per person, per year.	Annual contribution limits are \$6,000 or \$7,000 if over 50.	No limits.
INCOME/AGE LIMITS	None.	None.	Modified adjusted gross income must be less than \$110,000 for single filers and \$220,000 for joint filers.  Beneficiary must be under 18 or have special needs.  Funds must be used by age 30.	No income limits.  Account ownership transfers to the minor at age 18.	Modified adjusted gross income must be less than \$139,000 for single filers and \$206,000 for joint filers.  Must wait 5 years before making withdrawals of principal.	The bond owner must be at least 24 on the issue date.  Grandparents can only receive the tax benefits if the grandchild is a dependent on their taxes.