



Ohio's 529 Plan – CollegeAdvantage

THE SIMPLE FLEXIBLE WAY TO SAVE FOR
WHATEVER EDUCATION COMES AFTER HIGH SCHOOL



Administered by the Ohio Tuition Trust Authority
An Office with the Ohio Department of Higher Education





ABOUT 529s

Created To Make College More Affordable

Named after Section 529 of the Internal Revenue Code

Allows states and qualified educational institutions
to offer 529 plans



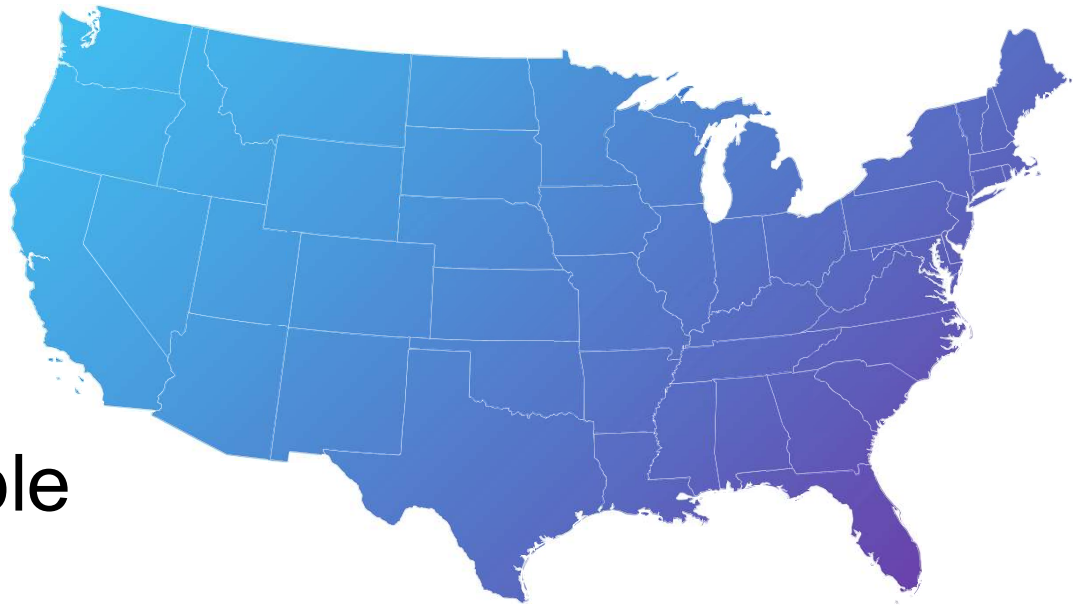
ABOUT 529s

Created To Make College More Affordable

Pick from any plan in the country

Each state determines the kind of plans it offers and how they are structured:

- Variable savings plans (mutual fund-based investments)
- Prepaid tuition plans (only a few states offer these)



OHIO'S 529 PLAN, COLLEGEADVANTAGE

One Of The Nation's Top-Rated Plans



2 VARIABLE PLANS

Ohio offers two plans; both are variable savings plans



7TH LARGEST

Ohio is the seventh largest state sponsor of 529 plans in the country



OTTA

Administered by the Ohio Tuition Trust Authority



ODHE

OTTA is a state agency under the Ohio Department of Higher Education



11-MEMBER BOARD

Investments overseen by an 11-member board



PROFESSIONAL

Professional investment management by leading financial firms

It's clear, a college degree pays off



Save \$50,000	Borrow \$50,000
Available Towards Higher Education \$150,350**	Available Towards Higher Education \$50,000
Repay \$0	Repay \$80,000***

It's far cheaper to save now
than pay off loans later



HIGHER EDUCATION ISN'T JUST A GREAT IDEA, IT'S

A Smart Financial Move

* Median annual earnings among full-time wage and salary workers age 25 and older in 2021 dollars. Source: U.S. Bureau of Labor Statistics. Current Population Survey.

** Assumes 17 years to save, average annual costs of \$23,420 for an in-state, public, 4-year institution, full-time student, 5% tuition inflation, and a 6% hypothetical investment return on your 529 plan. Data is approximate and rounded. This savings example would provide nearly 64% of the future costs of college. Hypothetical earnings. Your actual earnings will depend on the investments selected and actual performance. Earnings are not guaranteed. Estimated using the College Savings Planner tool at CollegeAdvantage.com.

*** Assumes \$50,000 borrowed to fund a portion of the total cost of college expenses, 2.75% interest (current 2020-2021 Undergraduate Federal Stafford rate), 4 years in college, and a 15-year repayment period. Data is approximate and rounded. Estimated using the "Loan Calculator" at Finaid.org.

BENEFITS OF 529

529s Are Tax-Free



TAX-FREE

Plans grow
tax free!



TAX-FREE

Funds are tax free when
used for higher education!



TAX-FREE

Withdrawals are
tax free!

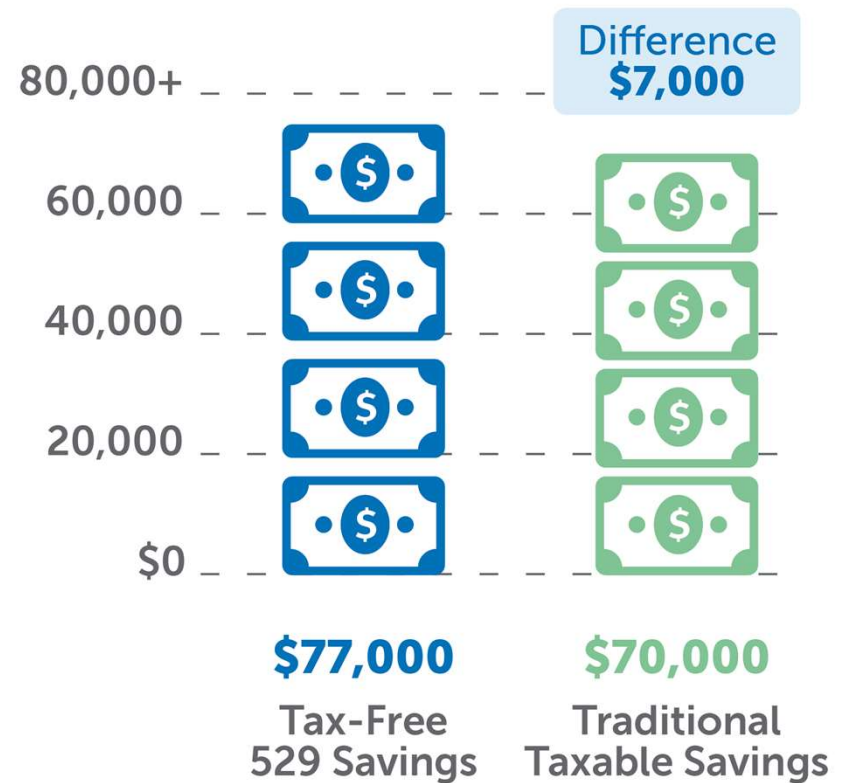


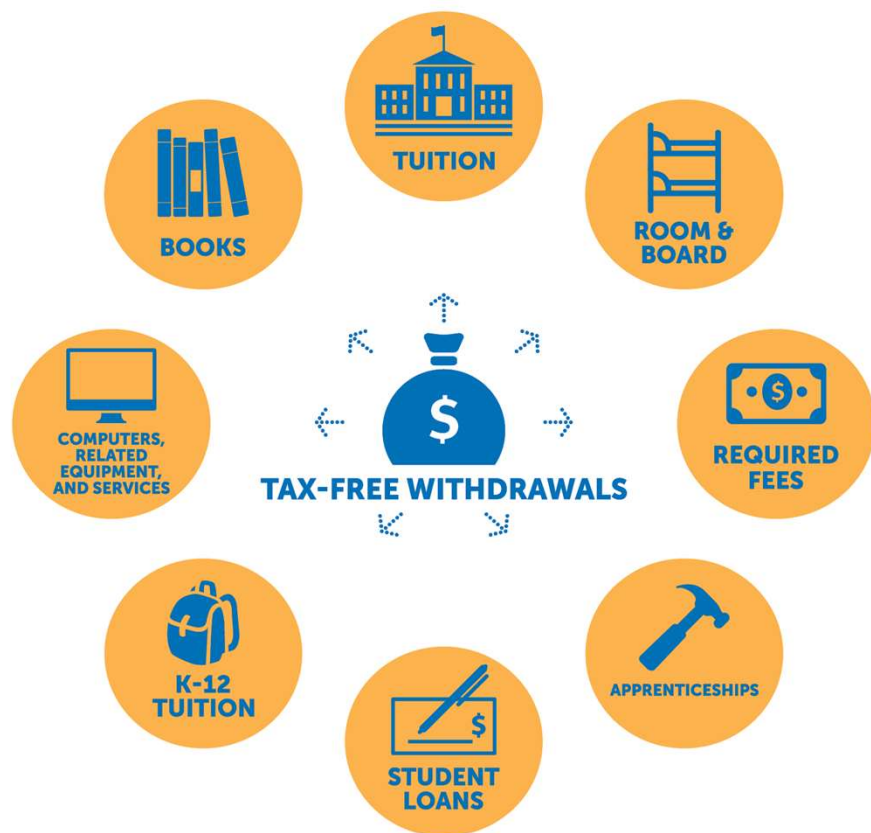
BENEFITS OF 529: TAXES. TAXES. AND TAXES.

Compounding Power Of Tax-Free Growth

Time is a saver's best friend...
Save small amounts over time to reach your goal

Assumptions: approximately \$2,500 per year for 18 years, 6% annual earnings, 12% federal tax rate, and 6% state tax rate.
Data is estimate and rounded. Estimated using the Tax Benefit Tool at CollegeAdvantage.com





BENEFITS OF 529: TAXES. TAXES. AND TAXES.

Tax-Free Withdrawals For Qualified Expenses

2018: Up to \$10,000 for private K-12 education

2019: Up to \$10,000 for student loan repayment

Also added a clause for apprenticeships

Please read the Offering Statement for additional details about qualified higher education expenses

K-12 TUITION
Up to \$10,000 for
private or religious schools



BENEFITS OF 529

More Ways To Use 529s



STUDENT LOAN REPAYMENT
Maximum of up to \$10,000



BENEFITS OF 529: TAXES. TAXES. AND TAXES.

State Of Ohio Tax Deduction

\$4000 tax deduction per beneficiary per year

Unlimited carryforward

Deduction is for any state of Ohio resident

UP TO
\$4,000
OHIO
TAX DEDUCTION



+

UP TO
\$4,000
OHIO
TAX DEDUCTION



PER BENEFICIARY



BENEFITS OF 529

Save In Ohio's 529 Plan Go To College In Any State

Use the funds in-state or out-of-state





WHICH OF OUR 2 PLANS IS BEST FOR YOU?

CollegeAdvantage Direct 529



- No enrollment fee or annual account maintenance fee
- Diverse options for every kind of saver
- Open an account for as little as \$25
(\$500 for Fifth Third 529 CDs)
- FDIC banking products through Fifth Third Bank
- Stocks & bonds from leading mutual fund managers like Vanguard





WHICH OF OUR 2 PLANS IS BEST FOR YOU?

BlackRock CollegeAdvantage Advisor 529

BlackRock 529
CollegeAdvantage

- Accounts opened through a professional financial advisor
- Open an account for as little as \$25
- No annual account maintenance fee for Ohio account owners
- Offered and managed by the world's largest investment firm, BlackRock





ABOUT 529s

529s & Effect On Financial Aid

No effect on scholarships

Minimal effect on financial aid





ABOUT 529s

529s & Eligibility For Federal Financial Aid

Federal and school-funded financial aid calculations are complicated



If anyone other than a parent owns the account – *significant effect* – consult a legal, financial, or tax advisor



Most aid comes in the form of loans (not grants), which must be paid back

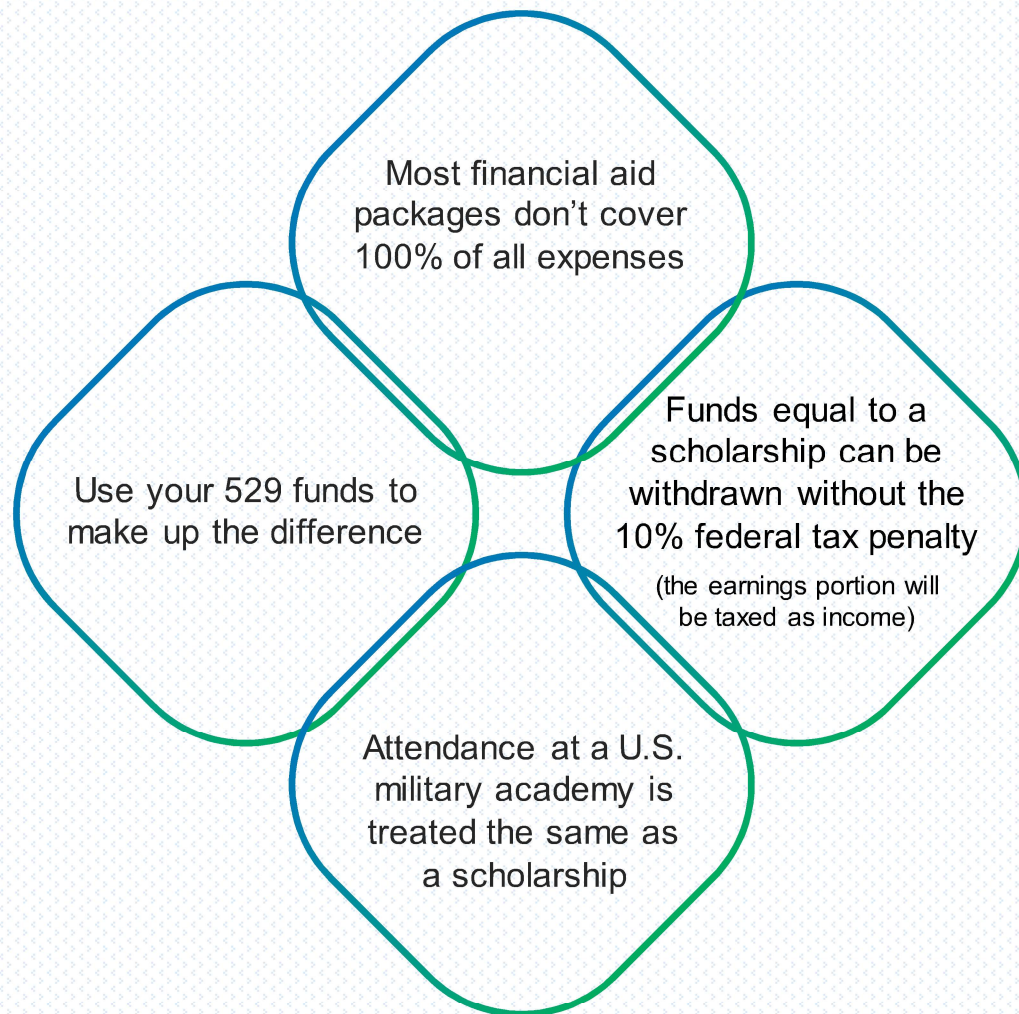




ABOUT 529s

What If My Child Gets A Scholarship Or Grant?

Even with a 529, your child can still apply for most scholarships and grants



ABOUT 529s

What If My Child Doesn't Attend College?



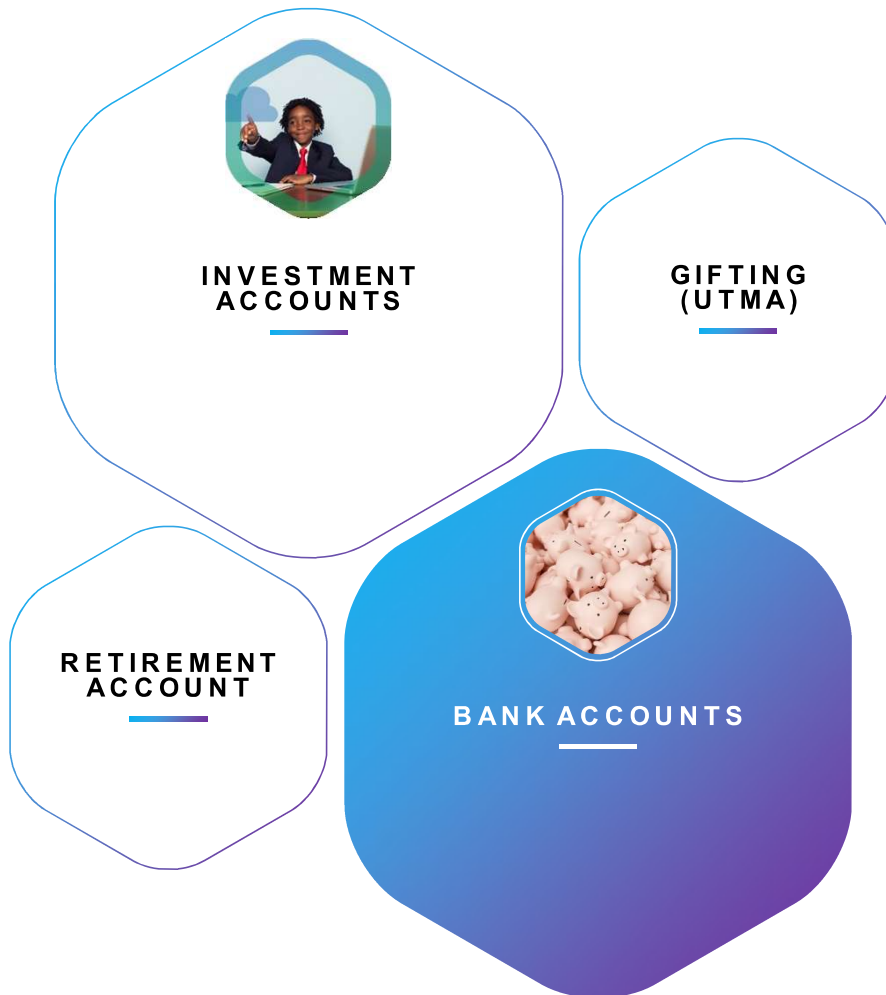
Leave the funds for
later use



Transfer all or part
of the funds to another
family member



Withdraw the money
(10% federal tax penalty only on the
earnings will be due)



ABOUT 529s

What About Other Ways To Save?

Traditional bank accounts

Traditional investment accounts

Gifting the money to your child (UTMA)

Borrowing from retirement account

THE GIFT OF HIGHER EDUCATION

What About Gifting?



Contribute to an existing
account online



Open a 529
for someone else



Send gift announcements
with your 529 gift



ABOUT 529s

How To Start Your Plan

\$25 is all it takes to start or add to Ohio's 529 Plan, CollegeAdvantage. Save up to **\$16,000** annually per child before gift taxes apply. Use the tools at CollegeAdvantage.com/calculators-and-tools

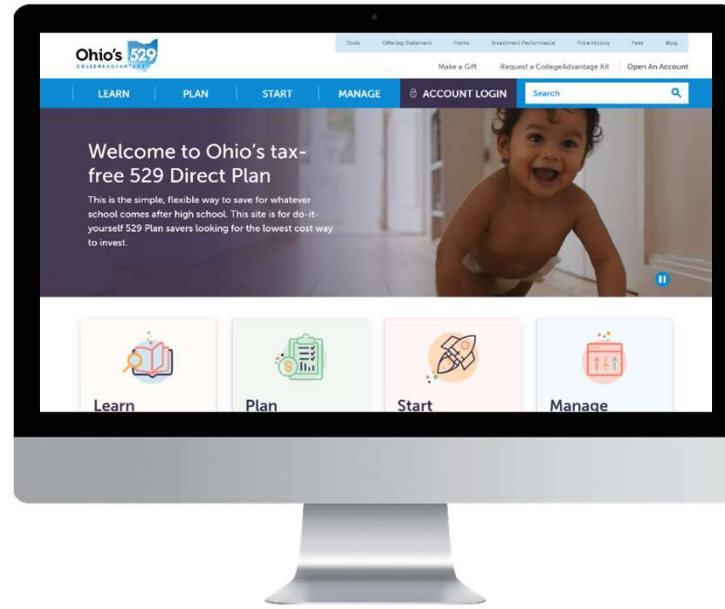


ENTRUSTED WITH OVER 750,000 FUTURES

Ready To Start?

Enroll online or download your CollegeAdvantage kit today!

Visit **CollegeAdvantage.com** or call 1-800-AFFORD-IT (233-6734)



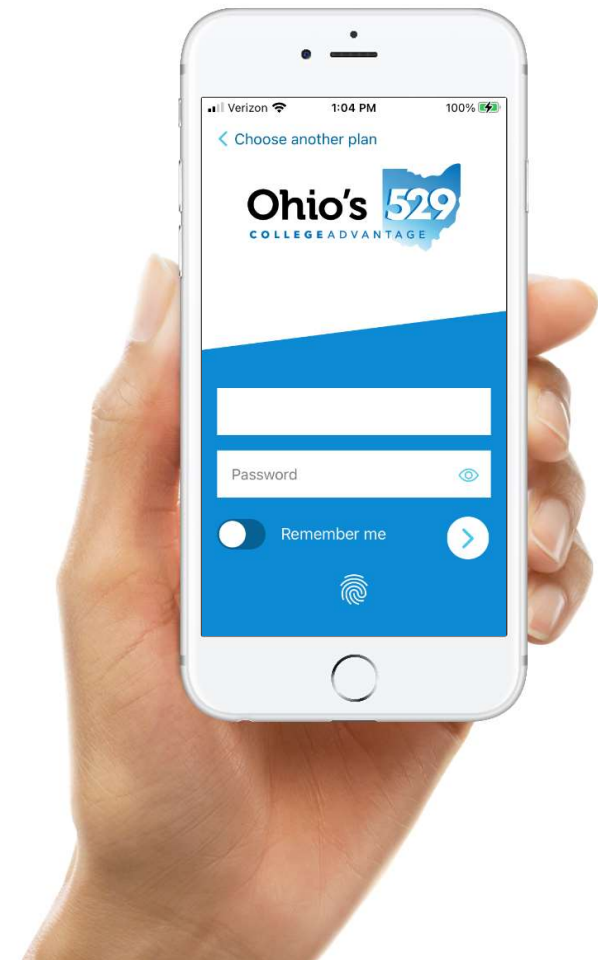


NEW!

READYSAVE 529 Mobile App

Developed in conjunction with our recordkeeping partner,
Ascensus

Access & make contributions to your CollegeAdvantage
Direct 529 account from your cell phone any time



Resources List

FOR 529S & COLLEGE PLANNING

01 | **OHIO'S 529 PLAN
COLLEGEADVANTAGE**
CollegeAdvantage.com
1-800-AFFORD-IT (233-6734)

02 | **LEARN ABOUT &
COMPARE 529 PLANS**
CollegeSavings.org
SavingForCollege.com

03 | **COLLEGE PLANNING &
CAREER RESEARCH**
OhioHigherEd.org
OhioMeansJobs.com

04 | **FEDERAL STUDENT AID,
FAFSA & MORE**
StudentAid.gov
Fafsa.gov

05 | **OTHERS WHO CAN
ASSIST**
Middle- & high-school counselors
College financial aid officers &
admissions representatives

06 | **TAXES, ESTATE &
FINANCIAL PLANNING**
Consult your tax accountant,
financial planner, or legal counsel

Thank You!

Learn more & enroll at **CollegeAdvantage.com**
1-800-AFFORD-IT (233-6734)



CollegeAdvantage is a 529 college savings plan offered and administered by the Ohio Tuition Trust Authority, an office within the Ohio Department of Higher Education. Before investing, please read the Offering Statement and all Supplements carefully and consider risks, fees, your investment objectives, and other relevant factors, before investing. If you are not a taxpayer in the state of Ohio, you should consider whether your home state offers any state tax or other benefits for investing in its 529 plan. Other than the Fifth Third investment options (banking options), money contributed to an account is not a bank deposit and is not insured by the FDIC or guaranteed in any way. Except for contributions invested in banking options, participants assume all investment risk related to the CollegeAdvantage Direct Plan, including the potential loss of principal (the money you contribute to an account). Contributions invested in banking options are an obligation of Fifth Third Bank and are insured by the FDIC, subject to certain limitations.

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