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## **529 Funds can be used to Pay Student Loans and Apprenticeships**

Columbus, OH – January 22, 2020 –The Further Consolidated Appropriations Act, 2020 has been signed into law and allows account owners and beneficiaries to withdraw 529 funds to pay on qualified education loan payments and apprenticeship programs.

The Further Consolidated Appropriations Act includes provisions that allow 529 withdrawals to pay for certain expenses associated with apprenticeship programs registered and certified by the Secretary of Labor under the National Apprenticeship Act and to pay principal and interest on qualified education loans for the beneficiary of an account or the beneficiary's siblings. The loan repayment provision applies to repayments up to \$10,000 per beneficiary. The \$10,000 is a lifetime amount not an annual limit.

These provisions contain language that allows Ohio 529 Plan account holders to request withdrawals from their Ohio 529, CollegeAdvantage account, for qualified education loan payments or qualified apprenticeship program expenses made after Dec. 31, 2018. All withdrawal requests must be made within the same calendar year in which the expense was incurred. Withdrawals for apprenticeship programs and loan repayment will not be considered taxable distributions by the IRS. And as always, we encourage account owners to consult a qualified tax professional before making a withdrawal.

### **About CollegeAdvantage:**

Ohio's 529 Plan, CollegeAdvantage, is offered and administered by the Ohio Tuition Trust Authority, a state agency under the Office of the Chancellor of the Ohio Department of Higher Education. Ohio is the sixth-largest state sponsor of 529 plans in the country. CollegeAdvantage is offered as the CollegeAdvantage Direct 529 Savings Plan and the BlackRock CollegeAdvantage 529 Plan, which is offered and marketed through BlackRock and sold through professional financial advisors. Ohio's 529 Plan offers families a tax-advantaged way to save for education expenses after high school. As of December 31, 2019, Ohio's 529 Plan has more than \$12.9 billion in assets under management and almost 643,015 total accounts. To learn more, visit [CollegeAdvantage.com](http://CollegeAdvantage.com).