

INVEST *in your* LEGACY

WITH A 529 PLAN
★ FOR YOUR GRANDS' ★
CATHOLIC EDUCATION



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529 PLANS

5 facts about the 529

Helping your grandchildren afford a Catholic education is a meaningful goal for many grandparents, and an effective way to contribute is through a 529 plan.

- 1 What is a 529 plan?**
A 529 plan is a tax-advantaged savings account, designed to encourage saving for future education expenses. The funds in a 529 plan can be used to pay for qualified education expenses, including tuition for K-12 Catholic schools and college expenses, making it a versatile tool for supporting a grandchild's education.
- 2 What are the tax advantages of a 529 plan?**
Earnings in the account grow tax-free, and withdrawals used for qualified education expenses are also tax-free. This tax-free growth can significantly increase the value of the funds over time, providing more financial support for education.
- 3 What are the allowable uses for 529 funds for K-12 education expenses?**
529 funds can now be used for up to \$10,000 per year per student for qualified K-12 tuition expenses at public, private, or religious schools.



- 4 Who can I assign as the beneficiary of a 529 plan?**
Grandparents can open a 529 account in their own name with their grandchild as the beneficiary or contribute to an existing account owned by the child's parents. If a grandchild decides not to attend a Catholic school or pursue higher education, the funds can be transferred to a new beneficiary, as long as they are a qualifying family member.
- 5 What if the 529 funds are no longer needed for education purposes?**
The funds can be withdrawn for non-qualified expenses, but the earnings portion will be subject to income tax and a 10% penalty, so careful planning is essential.

In conclusion, 529 plans offer an effective, tax-advantaged way for grandparents to help fund their grandchildren's Catholic education. By understanding the tax benefits, flexibility, and potential impacts on financial aid, grandparents can make informed decisions that best support their family's educational goals. Consider consulting with a financial advisor to tailor a plan that aligns with both the grandparents' financial situation and the educational needs of their grandchildren.



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