

# Understand How to Save for Your Child's Education with a 529 Plan

## TRANSCRIPT

### SPEAKERS:

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Please read the last page of this transcript for important additional information.

**Cory Latham:** So thank you to our viewers today for tuning in today to hear us discuss all different aspects of education savings. My name is Cory Latham, and I work on our College Savings Group as one of our state relationship managers. So in my role, I work hand in hand with our states to help provide best-in-class service and products to our 529 clients.

I'm very excited for our webinar today with our panelists, and we're going to talk about a few different things. So the first is, what is a 529 plan? Second, what's new with 529 plans? We're then going to do a bit of a deep dive into how do you invest into a 529 plan, and then close it out today by talking about how does 529 fit into your overall financial planning?

So I'm really excited to have the conversation today and talk all things education, savings, and 529. So joining me for our webinar today is Tony Durkan. He is the vice president of 529 Relationship Management. And also Gina Gillespie, a vice president, financial consultant. I thought we'd kick it off by learning a little bit more about each of our panelists today. So, Tony, would you get started for us?

**Anthony Durkan:** Yeah, happy to do so. Thanks for having me, Cory. I lead the 529 Managing Director team and, as you mentioned, we work closely with our state clients to help promote and grow their 529 plans. And looking forward to a robust conversation and discussion today..

**Gina Gillespie:** And then, Cory, thanks so much for having me. I'll introduce myself as well. My name is Gina Gillespie. I'm a vice president, financial consultant, and I work within one of our Investor Centers. I meet with clients every day, and I talk about a lot of the biggest goals that they have and how to reach them. And saving for education tends to be one of those. So thank you so much for having me. I really appreciate it.



**CORY:** Yeah, no, I appreciate you both being here. And it absolutely sounds like we have the right people on the webinar to talk about what we had discussed earlier. So what I'd like to do is get started is understanding what is a 529 plan? So get a little bit of a level set of what that actually is because we're going to use that term, 529 plan, quite a bit throughout our webinar today.

So when we talk about that, what we are talking about is an account that is established with the goal of saving for education expenses for the beneficiary of the account. With a 529 plan, you can save for both short- and long-term goals with a variety of higher education expenses. Any earnings in that account are going to grow tax-deferred. And as long as you're utilizing them for a qualified expense, withdrawals in that account are going to be federally income tax free.

So over the past years, there's been some increases into what a 529 can be utilized for. So I think typically you think about room, board, tuition—the typical college expenses. But there's been a pretty big expansion, including one that recently came in where you can actually transfer 529 assets into a Roth IRA. We'll definitely spend some time talking about what that looks like throughout the rest of the webinar.

So another thing that's really interesting when it comes to 529 plans is that they're actually offered—or we call it sponsored—by a state. So what does that mean? That the states play a role in offering the plans, and then program managers such as us are going to be the ones who are going to implement that. So what does that mean? It means that each of these plans can have their own unique set of characteristics and even benefits at that state level. So that's definitely something we'd encourage you to look into when you're trying to find out what is the right 529 plan for you—things such as a state tax deduction or things that you would see with that state sponsorship.

So another common question that we get and we hear it all the time is, can a 529 plan only be opened by a parent for a child? The answer is no. So anyone can open up a 529 plan. So it could be a parent, it could be a grandparent, an aunt, an uncle. Really, anybody who wants to open up an account on behalf of the beneficiary to help with their education savings is eligible to open up that account.

We also hear, could you do it for yourself? And yeah, you could. So you can open up a 529 plan for yourself if that's something that you wanted to save for your own future education expenses. Or we also see that's something with expecting parents. And we'll talk a little bit about that, where they'll open up the account very early so that they can utilize that for the benefit of the child that they're going to be having in the shorter near term.

So hopefully that gives us a good baseline understanding of what is a 529. What I did want to spend some time talking about is that state sponsorship piece. So, Tony, I know you work directly with each of our state partners. I was hoping you'd be able to talk with us about what does that mean when we use the term state sponsorship?

**ANTHONY:** Sure, great. I'm happy to jump in and expand on that. So, Cory, as you mentioned, when folks are looking at and looking into 529 plans, what you'll notice, a common theme is they are all state sponsored. And typically, in most cases, a financial firm like Fidelity, like us, will serve as the program manager. So at Fidelity, we are the program manager for five state-sponsored plans: Unique College Investing Plan, which is sponsored by the state of New Hampshire; the U.Fund College Investing Plan, which is offered and sponsored by the Massachusetts Educational Finance Authority, or MEFA; the CHET 529 College Savings Plan offered by the state of Connecticut; AZ529, Arizona's Education Savings Plan; and, finally, the DE529 Education Savings Plan offered by the state of Delaware.

So, Cory, as you mentioned, while you don't have to enroll in your state plan—you mentioned the state tax deduction—many states do offer a state tax deduction if you are a resident of the state and invest in that plan. There are a host of states that do offer the state tax deduction regardless of what 529 plan you decide to invest in. And then finally, there are a host of states that do not have a state tax. And in that case, as you might imagine, you can choose any state plan you want.

So we talked about the state tax deduction and benefit. While that is an important part of making the decision on what 529 plan to choose, there are other factors like investment methodology, plan features and services, and finally fees. To help with that decision point, we do offer a state tax deduction calculator, as well as a plan comparison tool, which is available on our website at [Fidelity.com/college](https://Fidelity.com/college), again, which can help with making these decision point answers.

So another common question we get, Cory, is about maximums. And unlike retirement plans where you have an annual maximum limit, 529 plans do not have that annual maximum contribution limit. They do, however—and this is also state by state—each 529 plan does have a maximum account balance restriction. So once you exceed the maximum account balance for that state plan, you would be restricted from making new contributions.

One final point, and this is a common misconception in the 529 marketplace, is that the 529 plan you use or the state plan you use has to be used within that state. And the truth is, you can use the 529 plan in any state for any qualified expense.

**CORY:** That's interesting you bring that up, Tony. I know that that question definitely still comes up is that, can I only use it in the state of which I have the plan? Only for one of the colleges or universities there? And that definitely is one of the more common misconceptions that still exists in the 529 education savings space for sure.

**ANTHONY:** Yeah, indeed.

**CORY:** So let's talk about expenses. I think that that's a huge part of what the 529 is built for—is what you can use it for, what you can't use it for. And, Gina, I'd imagine in the conversations you're having with our clients about savings and education, specifically when it comes to the 529, that

this comes up quite a bit. So I was hoping, could you share with us some of what it can be used for and also what it can't be used for?

**GINA:** Definitely. Thanks, Cory. Individuals will come in all the time and ask questions just like this, and we want to get really specific. So look right in front of your face here. It's really nice that we put this chart out there to talk about, what are qualified expenses? And the distribution must be used for qualified education expenses. So examples you can see right in front of you—tuition, room and board, books, computer, other supplies that you might need.

But examples of expenses that are not qualified for a 529 would include things—commuting and transportation expenses, daycare expenses, clubs and other activities that the student may be participating in. I want to discuss the tax ramification of these because I think that's really an important differentiator of a 529.

So if you use the funds from and you distribute it from one of—to use for these qualified expenses, the earnings on the account are federally income tax free. And that means you owe no tax on the growth that you have within the plan and you're taking advantage of one of the biggest components in the account. So what may be one of the largest things as you think through to say, all that growth is federally tax free. I'm going to use it for these qualified expenses.

If you're taking nonqualified distributions and those funds for it are used for an ineligible expense, then there are tax and penalty consequences that may come into play. The earnings portion of the account may be subject to a 10% federal income tax penalty, as well as any income taxes that may be due on the earnings as well. So a big question that we always have is the flexibility of using it. Again, tuition, room and board, books, computer, supplies—most commonly used ways to use it.

**CORY:** Yeah. Thank you for that. And I think it's good to know now—I think when people think 529, they think just college. I think that's the most topical thing. But the 529s are not just for college anymore. There's additional uses that can be taken care of—you see the list right over there. And I know some of these might be new to folks. Some of them are very new to the industry of being allowed to do that. So, Tony, I know that you spent a lot of time in learning this and understanding this piece of the additional uses. So I'm hoping you could spend some time right now just walking us through what those are and how they work.

**ANTHONY:** Yeah. Thanks, Cory. Yeah, I'm excited about this part of it. Gina, you did a great job outlining some of the traditional benefits—expenses being paid with 529. You know, there's not a lot of positive news that comes out of Washington all the time. And in this case, in the 529 case, we've had a lot of great news. We've had a lot of great updates. Things have evolved and become so much more flexible with the legislation since 1998 when 529 first started.

Fast forward to 2017, we had the federal Tax Cut and Jobs Act, which expanded the usage as you outlined here to include K through 12 expenses. Also expanded to repaying student loans up to

the limits that you outlined. In addition, the use of the funds towards trade and vocational schools. So a lot of great things that have come out of Washington through the years.

Most recently, and probably at the top of most people's minds is the 529 to Roth transfer. And this, I have to tell you, was one of the big barriers to entry to 529, was what if I don't use all the funds? What if my child doesn't go to school? What if my child gets a scholarship? What if my child goes to a military school? So this provision really dropped that barrier down and actually got rid of that barrier of what if I don't use the funds?

There are some eligibility requirements to meet that 529 Roth transfer. I'll outline it quickly here. But to do a 529 to Roth transfer, the account would have to have been opened for the same beneficiary for 15 years. That's one of the big ones. There is a lifetime limit to that transfer of \$35,000. In addition, the rollover is subject to the annual Roth limit. This year, we're talking about \$7,000.

But again, SECURE 2.0—it was mostly retirement-related. It threw in one piece, one sliver for 529, which was great. And it's the 529 Roth transfer. Really, it just continues the expansion of 529 usage of funds. I'm also looking forward to the next year, maybe two. I know there's three bills with House Ways and Means right now that will expand it even further. So great things have come and great things hopefully are on the way to expand 529. So great, great news coming from Washington.

**GINA:** You know, Tony, when you talk about the additional uses, I just feel like it's giving us a little more flexibility. In the past, we always thought about the three in the top corner. Just gives us more flexibility on how to use it. So I agree.

**ANTHONY:** Yeah, yeah. Huge wins. And again, more to come hopefully within the next year or two.

**CORY:** Yeah. I think what's also great too is that the ability that you can transfer that to a different beneficiary as well, too. So if you're fortunate enough, or one of your children is able to earn a scholarship where you can actually take those 529 funds that have been saved in that beneficiary's name, roll them into a sibling's account as well and be able to take advantage of the savings there as well. So it's always great to see the more opportunities you have.

**ANTHONY:** Great point, Cory.

**CORY:** Yeah. So I think the more you can utilize it for, that's always going to be better. And as you mentioned, you want to avoid barriers to entry for people wanting to start that education savings journey as well. So the more that we can offer on the back end of when the money is going to be coming out, the better that it's going to be for those when it comes to that first step of actually getting invested.

So, investing. I think that's another key thing that we want to talk about, and that makes 529 plans a little bit unique. And I think that when people think about this as an investment account, a little hesitation or a little concern can come up with that. A lot of times it could potentially be the first time someone's getting into an account that is technically an investment account. So let's spend some time talking about that and how investments work within a 529 plan and what that means.

So 529 is unique in the way in which it's set up. And what that means is that you have to be invested within the account. So there's not an opportunity to be just in a core or a default cash position. You're actually going to have to be in an invested portfolio. And each of the different plans offers different portfolios of which you'd be able to choose one. But you do have to be invested within this account.

So we have them broken down into two categories. So the first one that I'm going to talk about is what we call our age-based portfolio. So what is an age-based? So it's right up there. I'll read directly right off the screen. So it's one that is mapped to a beneficiary's year of birth and the approximate year the beneficiary is anticipated to start college. The management of each of these portfolios is designed to have the portfolio start out more aggressive as the beneficiary has a longer time horizon and become more conservative as the beneficiary nears college age.

So currently right now, we have age-based plans that range from our college portfolio—and that's where beneficiaries that were born in 2004 and earlier. And we also have our 2042 portfolio, believe it or not, which is designed for beneficiaries who were born in 2023 or those who actually will be born and haven't been born yet in 2025. So that's typically how the age-based works.

We also have a custom portfolio. And what is that? So that's a combination of different options that we have. And this is more for those people who are comfortable in choosing what it is that they want to invest in. So there's three different portfolio types. So the first is static. So what that is, that's a combination of equity, fixed income, and cash that remains the same over time. So we mentioned how the age-based will shift over time. A static portfolio will relatively stay the same over that time frame as well.

We also have individual, and that's equity, fixed income. It includes things such as our money market portfolio, our stable value portfolio, or our bank deposit portfolio. So they do have options for those cash positions that we talked, and that is under the individual ones. And finally, you could also choose an age-based portfolio. So if you wanted to choose one that doesn't directly match up to the college age or one that you want to get invested in, you do have the option to choose that as well.

Or within the customized one, you can choose a variety of them. We'll touch a little bit further on—there are some restrictions in how you can invest in those. But we'll understand that if you are someone who's comfortable in customizing what you want to have invested in, these options do exist for you.

So we're going to go a little level further down, too. So we talked about the age based, right? We talked about the custom. So there's other portfolio types in here and that's how the portfolios are set up. So there's three different types of portfolio setups that we have within these overarching 529 portfolios, and we'll understand what each of those are.

So the first one is Fidelity funds. So what is that? So that's primarily actively managed Fidelity mutual funds. And those attempt to beat benchmark indices. So it's the actively managed funds and they're attempting to beat benchmark indices. Yeah, so Fidelity index funds. So those are low-cost index Fidelity mutual funds, and those are attempting to mirror the market indices.

So we have the funds that are actively trying to beat those, we have the index, which are trying to mirror them, and then we have the Fidelity blend—and that's a combination of both where you actually have a combination of the actively managed as well as the index mutual funds. Different ones. So that's a lot about investments. So hopefully that gives you a better understanding of what they are.

However, the question that comes up is, now I understand what they are, but what's right for me? How do I know what's going to be the best choice as I'm opening up this account and managing this account for those education savings? So there are definitely considerations that you want to take in place as you're making this decision within the account. So, Tony, can you talk about what some of those are and what are some of those questions you want to ask yourself?

**ANTHONY:** Yeah. And I think, Gina can speak to this as well. She's dealing one on one with investors. What I find—and Gina, I think you'll follow along with this. It really comes into two camps. It's the folks that want to be hands off and have that set-it-and-forget-it mindset. So Cory, you talked about the target date options and whether it's actively or managed or index or blend. But you're choosing that fund that's going to closely match your child's entry into college. And that's probably the more popular option. As you mentioned, investing can be or get intimidating, and this is an easy way to choose and make that investment decision.

And then there's camp number two. And those are the folks that really want to roll up their sleeves and dig into the fund offerings. And as Cory, you outlined very nicely with the Fidelity plans, the plans we manage, you have plenty of options. So for those folks that want to choose their own investments, they want to roll up their sleeves and be hands on, you certainly have the options to build that portfolio and manage it on an ongoing basis.

So as we think about the actively managed components of that, you know, there are some items and details to consider. While you can allocate to as many funds as you want, you do need to allocate in 5% increments, and, obviously, we need the total to get up to 100%. Another important component when you're thinking about making changes within the account—and I'm talking about where the assets sit—you are limited to two what we call "exchanges" a year.

So that would be moving money within the portfolio from one fund to another. There's no restriction on your new contributions or the new dollars coming into the plan. It's just the movement of funds within the investments you have already chosen.

**GINA:** And, Tony, I'll jump in here, because you're right. It can be overwhelming. And so what we try to do is to help. You come into an Investor Center. You want to save for your kids, your grandchildren, someone that means a lot to you, but you don't know where to start. Just—we'll walk you through it all. I think today, as we go through these options, I'll share maybe in a workplace plan or a 401(k) plan, you may have these age-based or similar strategies in those plans. So that may be something that you've seen or heard of.

The bigger difference—and I always like to share this with individuals when they're one versus when they're 18, most of the time maybe our investment strategy often will change because they need the money very soon. So those age-based portfolios, if you feel like you're not going to be as hands on, can be very helpful to make those investment changes for you.

And when you get closer to using it for school—different from a retirement plan account, our hope is you'll retire for a long period of time—but when you look at the 529s, our hope is our loved ones aren't in school for 30 years, right? So they do get conservative as they get closer to using it for college. And our hope is that they'll use it in a shorter time frame.

So I would say there's nuances that are similar. There's nuances that are different. We're here to help you. We're here to help you make good decisions. And don't be overwhelmed by the choices. I think the good news is, you have choices. And we're here to help you to figure out the best thing for you.

**ANTHONY:** Yeah, I would just add that again, the growth of the target date option takes that intimidation factor away. You have the peace of mind of having a professionally managed portfolio. So, yeah, in this case, the target date option, like I mentioned, is a popular option. Again, it takes that intimidation factor away.

**CORY:** Yeah, Gina, I think you hit on a really key word there when we talk about what are the investment options? And it's choice. There's a tremendous amount of choice that you have within the different plan offerings to adjust things like your risk tolerance or your time horizon. Things that I know—conversations that you have, I'm sure you'll touch on later, all the time. But there is that choice where you're able to make what's the right decision for you, too.

One other thing that I do want to point out that I think is important as well, as we mentioned earlier, that you do have to make an investment choice when you're opening up the account. And that will be what the default is within your account. So whenever money comes in to that account, it will go there. But you can always change that if that's something that you want to do. And that

would not count as an allocation unless you just change what you want the money to come into that allocation. The two per year only counts from changing the money that you have currently into something else.

In addition, you could always invest in something else if you told us at the time of that investment. If you decided that you wanted a certain amount of your portfolio to be invested in something else, you can choose to do that as well. We would just need to know that at the time the investment is coming in so we would be able to make that so.

But yeah, I think that investments can be something that's intimidating for a lot of folks. And I think that Gina hit on it. That's what we're here to do is to try to help make you more comfortable with it when you're making that decision, understand it better, and help put yourself in that position where you are comfortable with the decision that you made.

So, Gina, I want to turn it over to you because I know that Tony and myself, we spend a lot of time in the education savings space working with 529s and focusing a lot of our efforts on that. I know that in your role, you're having broader conversations with folks. And that's overall financial planning, estate planning, legacy planning, all of those other budgeting key factors that come into play when you're trying to figure out how you want to set up yourself and your accounts.

And college planning plays a role in that. So what I was hoping you'd be able to do now is, could you just talk with us through what are some of those conversations you have? How does college planning fit? And when you're having those discussions with the clients, what are you talking with them about?

**GINA:** Yeah, I would love to. I would love to, Cory. I think that's a great question because saving for college tends to be one of the many goals clients are working towards. So how do we prioritize each goal, and what mindset do we want to have around paying for college can really vary. So there's not a one answer, one-size-fits-all for this question, and so I'd love to share with you some different client examples. I'll share with you some different places we can go on our website to utilize some of the software we have to look at projections.

I think when you listen to some of the things I'll share, some of these ideas may resonate with you. And you could say to yourself, yeah, I'm one of those. That's how I feel. So just know, there's just not one way to feel about school or college expenses.

I love to map out with clients all the goals that they have and that we're trying to achieve financially. So in initial meetings I have with individual investors, I really spend a lot of time trying to understand things that are important to you. And so most common tend to be for saving for retirement for long term, ensuring they have emergency savings set up, maybe purchasing a first or second home. And then college savings as well.

So you may be the parent of a student. You may be a grandparent. Another loved one. You know, I think as I look at this, we really try to then map out and prioritize all the areas that we're trying to save. So I really love—I'll use an example of retirement planning. We'll use some of our projections and software online to say, hey, what we're adding to those retirement plans and the match—so always make sure we try to contribute to a 401(k) if it's possible to match whatever the company is matching.

So that's a great barometer as a starting point if we have so many different goals. And how do we do them all? So if we can look at the company match and then we run projections, great. We're on track there. Let's go to the next place, our emergency savings. We've gotten that all where we want it to be. Let's go to the next place. So each time we're saving for these options, we can run some projections. And the same when we think about college savings.

Some individuals come in and say, I want to pay for the entirety of college. And then some say, I have a specific dollar amount that I'm going to contribute per beneficiary or per child. And they can decide where they'd like to go to school. It may pay for all, it may pay for a portion. And we'll have that discussion as they get closer.

So I'll share with you, right in front of the screen here, some of the software that I use because I think it's a really great way to say, where are we falling in line today? So when I look below here, you're going to see on the left-hand side of the screen, how old is the child? So they'll ask some variables or questions. Have you saved anything yet for college? So they'll want us to say, hey, have we saved anything for college?

And then, what type of institution are we going to try to project and use? So it'll use cost for a specific type of institution—private, public, or in different parts of the country. How much have we started to save? And then, how much do we want to cover? So in this example—I know it's small, but it said we want to cover about 50% of education for this individual.

Maybe this is a grandparent or a parent who says, I'm going to do a portion. Right there it runs projections to say what you save now and what we're on track and what we're saving every year is getting us to meet 76% of our college savings goal. And in this example, they currently have saved \$10,000, and they're saving \$200 a month. And the child is not nine years old.

So if you look at these projections, it's a really great way to say, where do we stand today? Are we happy with this? Do we want to make adjustments or changes? I always share, the younger the beneficiary is, the idea of compounding can make a big difference. So you look on the right-hand side of the screen, saving a little over time can go a long way.

I know it seems overwhelming. One of the biggest things—individuals will come in and they'll say, I don't think I can pay for all of school. I don't know how I'm going to do it. And sometimes they just don't do anything because it seems so overwhelming. I'm not going to hit that goal. But I like

to always share the chart on the right-hand side is if we did a \$50 monthly contribution, \$150, or \$250, the younger they are, if you look at the idea of compounding over time makes a big difference. So from 0 to 18 years old, you can see the difference that that can make.

And I always share with individuals that saving something, if we can, if it's an option for us and it's something that's important to us, over time, let's use this software to show you what that looks like. Because sometimes we sit there thinking \$100 a month may not do a lot. But if we can show you this, that can give us a better option to maybe prioritize.

So what I take away from this, I always share also, remember, you can always take from maybe other savings accounts—non-retirement accounts to pay for college, too. So if the goal is to save everything in a 529, but maybe they went to a different school than we projected, we can use other savings accounts or other non-retirement accounts. We can also use cash flow from income. So if we're still working.

So I look at this to say, just know there's not one way to do it. It's OK to talk through, figure out goals, work through those together. If you have more than one child like we talked about before, how we prioritize all those things can be challenging. But I always like to look at all the different things we're doing and check the boxes for each to say, hey, we're getting to where we want to be. It's really hard when you're juggling so many things, and that's really the practicality of a lot of conversations we have. Very rarely someone comes in and says, I only have one thing I'm worried about right now or I want to work out.

**ANTHONY:** So, Cory, was this the graph you were showing me on how much I need to make up for what you haven't saved yet?

**CORY:** Yes, I believe it was. Or at least very similar. Gina, I think one thing you pointed out, too, that, to touch on a little bit more, so I know I have three boys who I'm hoping to save for their college as well. You know, there can be some sticker shock when you see the stories that are coming out with the cost of education. And that doesn't seem to be getting any lower. That it just continues to be rising.

But the idea of what you want to cover, that intended amount—so I think a lot of times when we're thinking about savings goals in general, we're thinking about I need to pay for x, and if this is what x costs, this is what I need to pay for it. So that kind of mindset exists, I think, when it comes to the idea of college and thinking about, maybe you don't have to go in with that mindset of 100%. It is that other number that is below it.

So I think that's a really key thing for folks to think about. Because as we do think about barriers to entry and people not opening accounts, it's, well, if I can't pay for it all, should I even do it? And I think having that mindset you mentioned about, it doesn't have to be all. It can be a set amount

that balances out with all the other things that you're trying to save and pay for right now. I thought that was a really key point.

**GINA:** Thanks, Cory. And I was just going to share. I always tell individuals, communicate with—so if it's a grandparent, I say communicate with your children your intention, too. Because in the back of their mind, they could tell you, we're trying our best to save as much as we can. It's just nice to know, hey, my intention is to help pay for a part each year. And sometimes that alleviates some of the pressure yourself. So I always say communication is better with your loved ones as you're trying to figure all this out.

**CORY:** Yeah. And I think, Gina, that's a great transition as we talk about gifting. So I think one of the unique things that we have here, one of the great things that we have here is the ability to set up what we call a gifting platform. So what that is is it's a customizable page that you're able to set up for your beneficiary of the account. And what you're able to do with that is you'll get a link, and you can send that out to anyone who you think would help want to pay for education expenses or help contribute to the 529 plan for that beneficiary.

And once they receive that link, they will then have the ability to contribute to that account on their own. So they would be able to help actually contribute to the existing 529 account that you would have open for that beneficiary.

So unique things that you can do on the page—you get to name it, you can put whatever picture up there, I guess whatever picture you think is going to get the person to contribute the most is the one that you'll want to go with. You can put things such as if they have an intended major. You know, I have 12, 5, and two-year-olds, so I don't know if we have intended majors right now. And my guess is if I put them in there, they're going to change about a hundred times between then. But that's just another customizable piece that you're able to put into the gifting platform that you're able to send out.

And, Gina, I think you mentioned earlier that you have clients who come in and want to find ways to contribute for others. Not themselves. And I know you mentioned that you share this with folks. And this is just a great tool that we have out there to help folks in making that gifting part a little bit easier.

**GINA:** Yeah, definitely. I think the practicality is that we have this link. So let's say you make a wish list. I have three children as well. They're nine, almost seven, and two. So the older children will make wish lists, right? Could be whatever time of year. And I love to add the link in there. The individual who looks at those wish lists, they can click on that, and this comes up. Easily doing a little contribution.

And it also tells us—you can see at the top of the screen who made those contributions. So you can send a little thank you card. You get notification when it happens. I am a big—when I think about this, just the ease of doing this. I'm a big efficiency person. So it's so efficient and easy to help to do those things. So you're not alone when you're trying to figure these pieces out. And we make it easy. So love I love this part of the website.

**CORY:** Yeah, I can speak to that. I'm not sure there's any more room in my house for any other toy or a ball or anything else that could fit into the space. So when the link goes out around birthdays or holidays or events, as a parent, I can say that is always a present that I am looking forward to receiving for my child. And I think that we all would as well. So just another great opportunity that we have here that can help make that education savings journey just a little bit easier for those that are trying to go through with it.

So we're getting ready to wrap up today. One thing that we did want to touch on is, if you haven't already set up an account, if you don't have a 529 plan set up, how would you do that? And the easiest way to do it is go right to [Fidelity.com/529](https://Fidelity.com/529). It's going to bring you right to this overview page. And what you're going to want to do there is you're going to want to click on that Open an Account button.

And when you get there, you're going to need some specific information, which is over there on the right. And I'll share with us what we're going to need specifically when opening that account. So for the account owner, you're going to need their Social Security number, the date of birth, phone number, email address, and also your legal and mailing address.

For the beneficiary, you're going to need their name, date of birth, and Social Security number. You're also going to need to choose which one of the states' plans that you're going to want to invest in. You're going to want to choose the investment, which you mentioned earlier. You will have to pick one of those investments that we mentioned earlier. And then you're also going to want to choose how that account is going to get funded. And once you do all of that, you will then have your account open.

So one thing I did want to touch on here too, though, is when you're mentioning when it says that you would need the Social Security number of the beneficiary, I think this comes up often is parents who are saying—those parents who are really ahead of the game and want to start opening up a 529 plan for their child before they're born—before they actually have a Social Security number. So we'll get that question often as to, so how do I do that?

And the answer is, you can't open up an account for a beneficiary that doesn't have that Social Security number. What you can do is you open that account for yourself and you make yourself the beneficiary of it. And then when that child is born, once they get that Social Security number,

you can actually change the beneficiary to them. So if you want to get way ahead of the game and get that account opened even before the beneficiary is born, that would be the way in which you would do that. I know that's a pretty common question that we get asked quite a bit.

What I did want to do is thank everyone also who was through the webinar with us today, but specifically with Tony and Gina for all that we covered today. I know that there was quite a bit. So what I was hoping we could do now is leave with some closing thoughts that you had from what we talked about today. So, Tony, would you mind kicking us off?

**ANTHONY:** Yeah, absolutely. So what's near and dear to my heart is, as Cory, you know, I have a lot of interest in what is coming out of Washington. And I have a lot of conversations with plan sponsors. And we all know about the student loan crisis and what's going on there. You know, while it's a great benefit if you can save for all of college costs, the reality is we probably all can't. And 529 allows you to help mitigate that student loan number at the very least.

So every little bit helps. Gina, I think you believe in that as well. But again, with all the flexibility and versatility of 529 funds, every little bit does help, and help fight off and mitigate that student loan. The 529 plan is the way to do it. So thanks again. Great discussion. Look forward to doing it again next year.

**CORY:** Yeah. Thanks, Gina?

**GINA:** Yeah, Cory, I think we had such great conversation today about so many things. But I think what it comes down to when I listen to investors is that it can be a daunting task for many people, especially when we see the price tag of higher education. So I am always a believer in save what we can and save when they're young so that we can think about the idea of compounding.

We just spoke about—I love the idea of the gifting page. It allows family to participate in savings, too. And I will share that many, many people who love—family members and other people know this and want to help. So I love the flexibility, the ease of Fidelity, and the way we make it for our individuals and our investors. And so thank you so much for having me. I really, really appreciate it, and love to share perspective of what we see every day.

**CORY:** Yeah, thank you. And I would just leave it with that barrier to entry thought—is that we do want you to start early. But just because you haven't started yet, don't let that be a reason to not start now. Anything that you can save towards that education expense now is less that you're going to have to pay later. Or if you don't think you're going to be able to contribute all or as much as you had wanted, whatever you're able to do it, that's going to help you do that.

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So those barriers to entry that are really stopping you from opening that account, whether it be the amount you can contribute, or you think you're starting too late, it really never is too late. Because again, anything that you're saving now is less than you're going to have to pay later. So, again, I totally agree. A great discussion. Huge thank you to our panelists, Gina, Tony, to all the viewers out there. As a reminder, if you're looking for more information on anything that we covered today, you can go right to Fidelity.com or you can reach out to one of our college planning specialists. Thanks again for joining us. And we look forward to the next time.

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Units of the portfolios are municipal securities and may be subject to market volatility and fluctuation.

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Pursuant to the SECURE 2.0 Act of 2022 (the "Act"), 529 account owners may roll over funds from a 529 plan into a Roth IRA for the benefit of the 529 plan designated beneficiary beginning January 2024. The rollover is treated as a contribution toward the annual Roth IRA contribution limit and is subject to the Roth IRA's current annual contribution limit. The Roth IRA must be in the same name as the 529 plan designated beneficiary. The 529 plan account must have been in existence for at least 15 years prior to initiating the rollover and any 529 contributions made within the last 5 years of the rollover initiation date are ineligible. Beneficiaries of 529 accounts would be permitted to rollover up to \$35,000 over the course of their lifetime from any 529 account in their name to their Roth IRA. Further guidance from the IRS may clarify and/or change the interpretation of the Act. Please consult with a financial or tax professional regarding your specific circumstances.

College Board Tuition, Fees, Room and Board, Trends in College Pricing Report 2023: <https://research.collegeboard.org/media/pdf/trends-in-college-pricing-student-aid-2022.pdf>

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