



# 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

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Named after Section 529 of the Internal Revenue Code

Allows states and qualified educational institutions  
to offer 529 plans

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



7<sup>TH</sup> 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

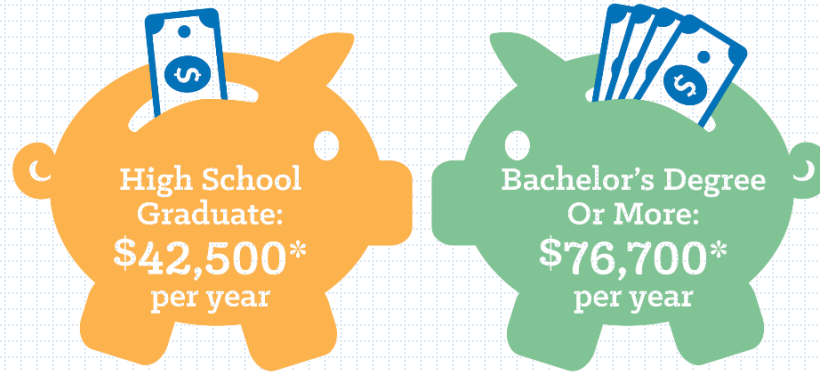
Investments overseen by an 11-member board



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. You 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!

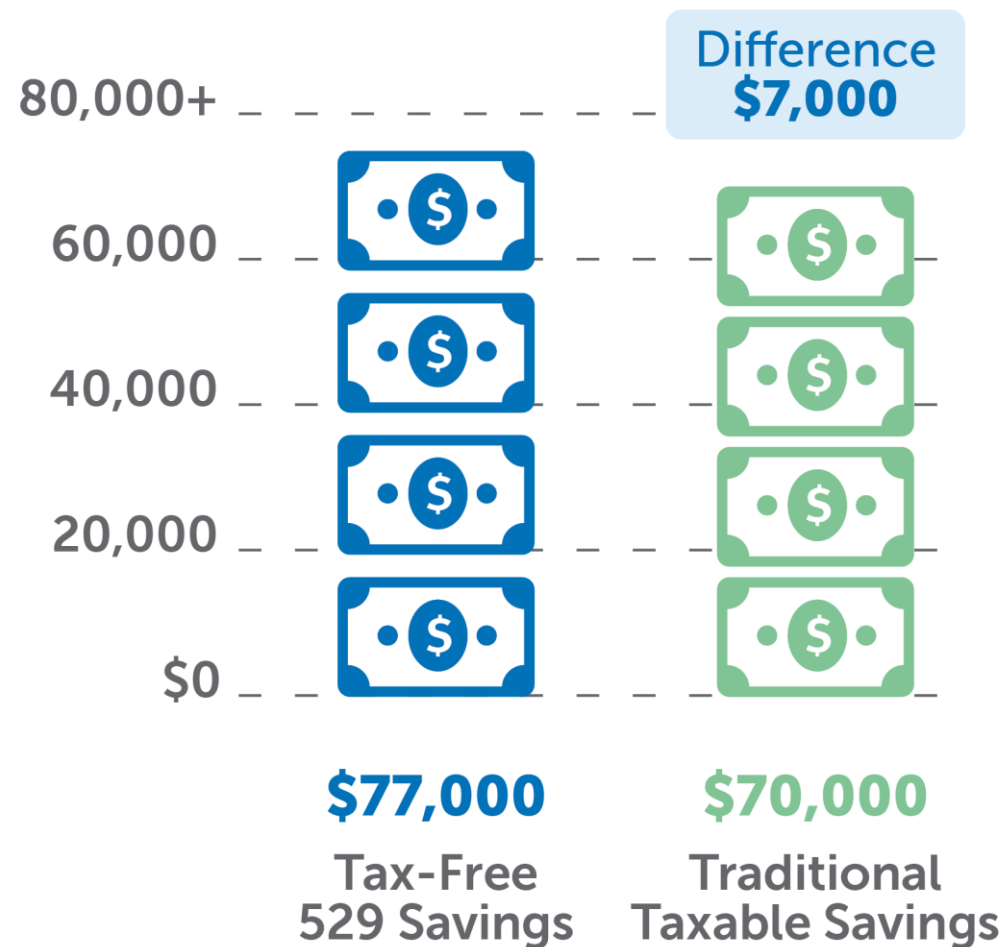


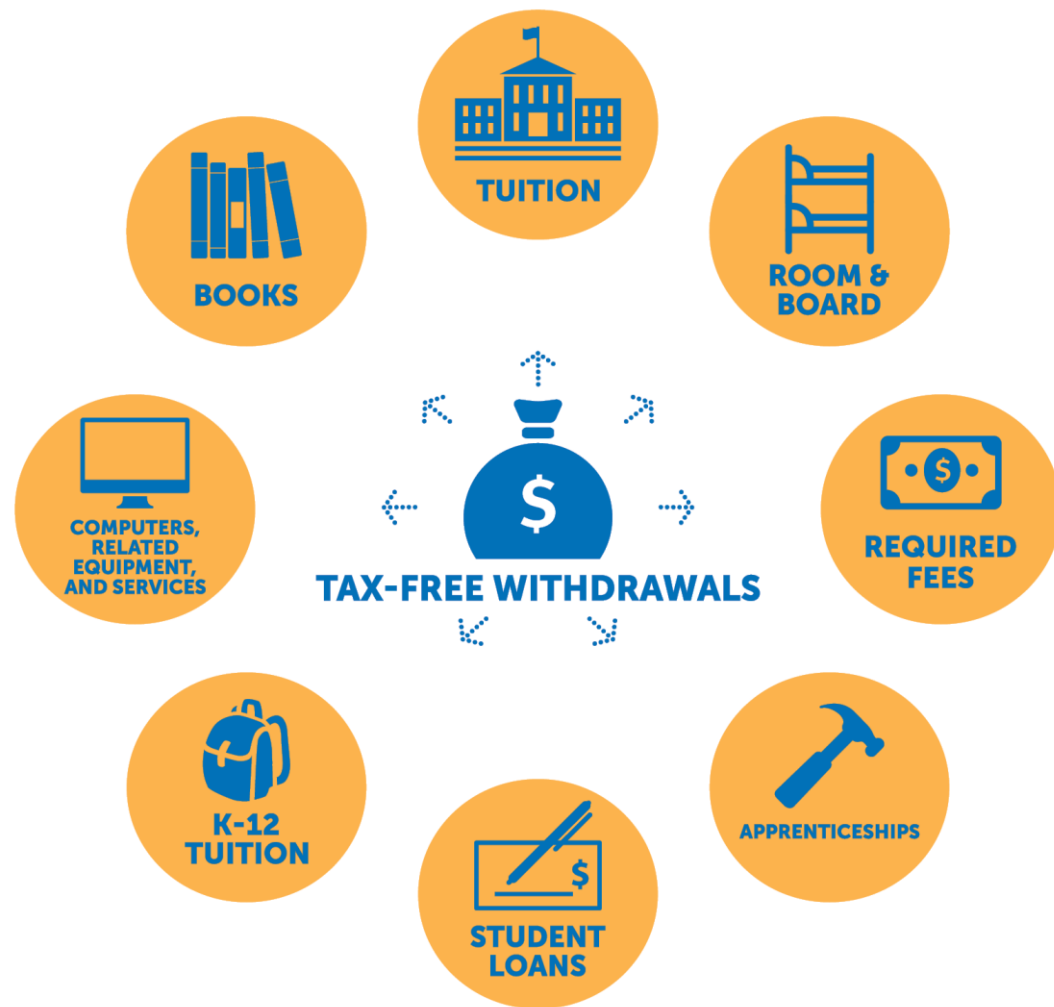
BENEFITS OF 529: TAXES. TAXES. AND TAXES.

# 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

NEW 2024: Roth IRA Rollover

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



# New for 2024: Roth IRA Rollover

The Secure 2.0 Act of 2022 allows tax-free and penalty-free rollovers from a 529 plan to a Roth IRA



The amount of the 529-to-Roth IRA Rollover may not exceed the aggregate amount



Roth IRA beneficiary and the 529 beneficiary must be the same person



The 529 account must have been opened at least 15 years before rolling over to a Roth IRA



It needs to be a trustee-to-trustee direct transfer



Yearly Roth IRA contribution limits apply



Lifetime maximum is \$35,000 to roll over from a 529 Plan to a Roth IRA



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

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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

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**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

# Free Application For Federal Student Aid (FAFSA)

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529 funds are assessed at a maximum of 5.64%



With \$10,000 in Ohio's 529 Plan, only \$564 would be counted against one's eligibility for need-based federal financial aid





ABOUT 529s

# Easy To Transfer Funds

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If your child doesn't pursue a post-secondary education, all or part of the 529 funds can be transferred to any other family member



THE GIFT OF HIGHER EDUCATION

# What About Gifting?

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A CollegeAdvantage 529 is the perfect way for grandparents, extended family, and friends to have an impact on your child's future



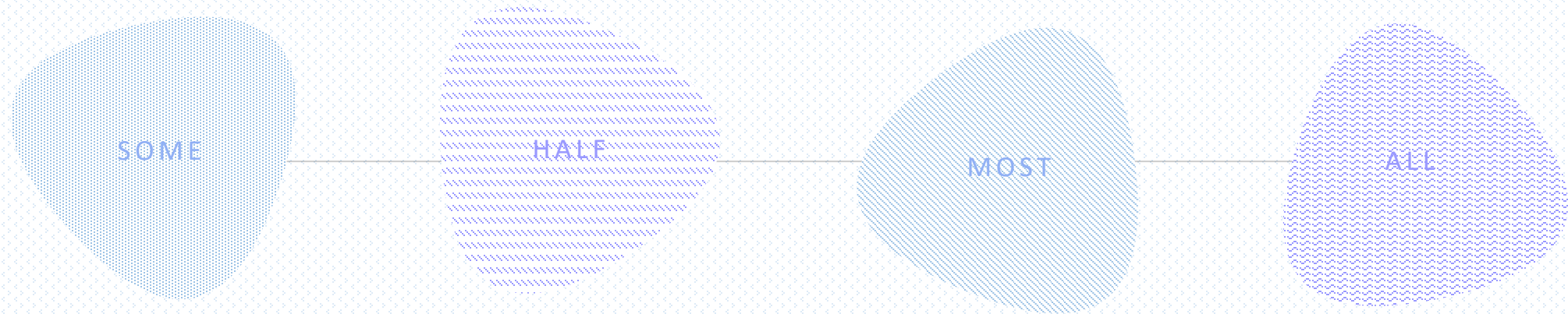
BIRTHDAYS



HOLIDAYS &  
SPECIAL OCCASIONS



GRADUATIONS &  
ACHIEVEMENTS



ABOUT 529s

# How To Start Your Plan

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\$25 is all it takes to start or add to Ohio's 529 Plan, CollegeAdvantage. Save up to \$17,000 annually per child before gift taxes apply. Use the tools at [CollegeAdvantage.com/calculators-and-tools](https://CollegeAdvantage.com/calculators-and-tools)

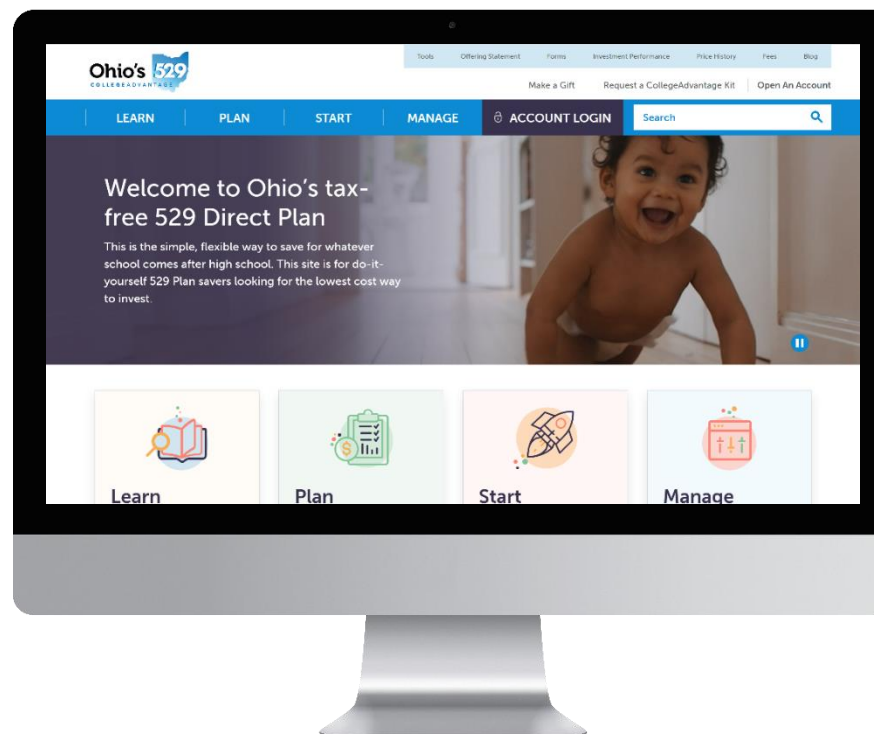


ENTRUSTED WITH OVER 750,000 FUTURES

# Ready To Start?

Enroll online or download your CollegeAdvantage kit today!

Visit [CollegeAdvantage.com](https://CollegeAdvantage.com) or call 1-800-AFFORD-IT (233-6734)





NEW!

# READYSAVE 529 Mobile App

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Developed in conjunction with our recordkeeping partner, Ascensus  
Access & make contributions to your CollegeAdvantage Direct 529  
account from your cell phone any time



# Thank You!

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Learn more & enroll at [CollegeAdvantage.com](https://CollegeAdvantage.com)  
1-800-AFFORD-IT (233-6734)



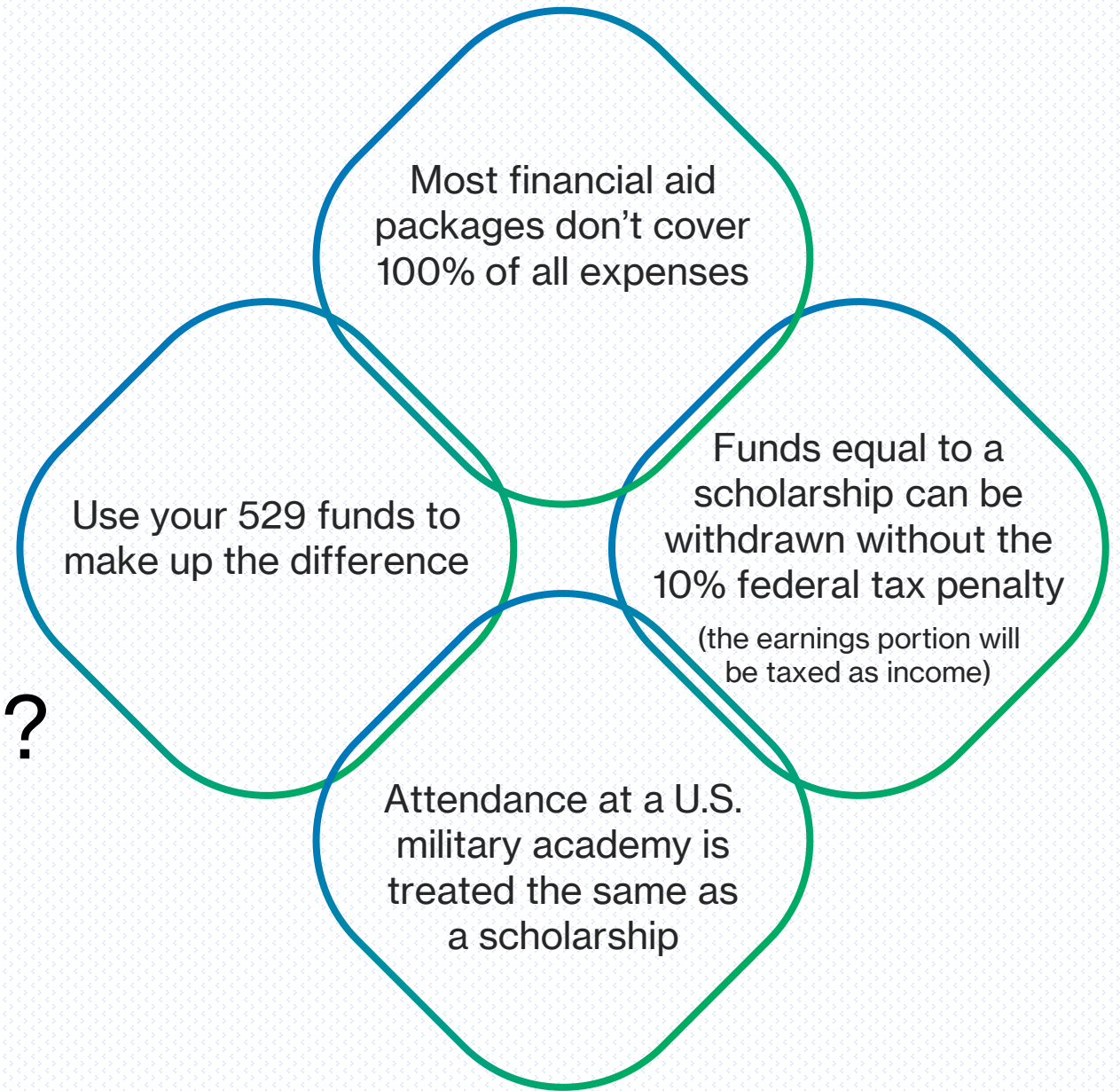
CollegeAdvantage is a 529 college savings plan offered and administered by the Ohio Tuition Trust Authority, an office within the Ohio Department of Higher Education. Before investing, please read the Offering Statement and all Supplements carefully and consider risks, fees, your investment objectives, 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.



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

# 529s & Eligibility For Federal Financial Aid

529 account owned by a parent for  
a dependent student – *minimal effect*



Custodial 529 accounts, funded from  
proceeds of a UTMA or UGMA account  
and Trust accounts – *minimal effect*



Student-owned 529 account  
– *significant effect*

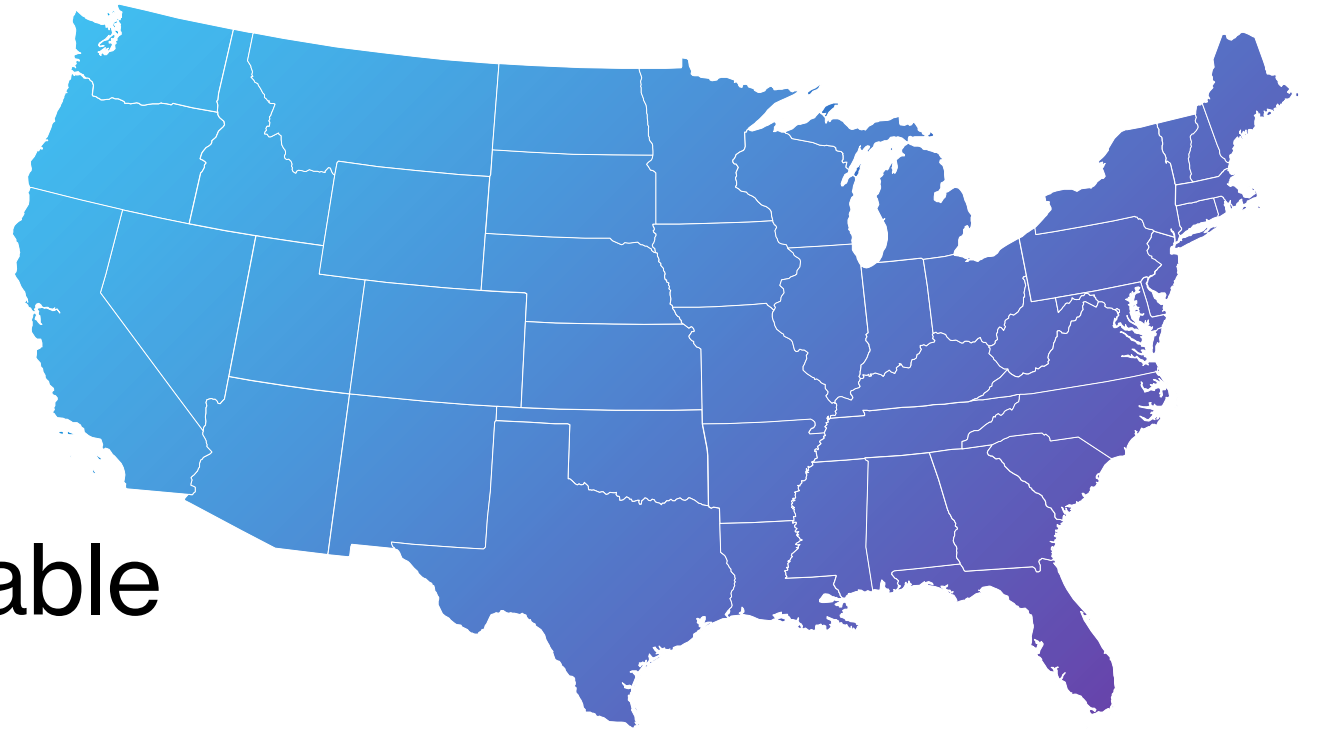




ABOUT 529s

# Created To Make College More Affordable

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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)



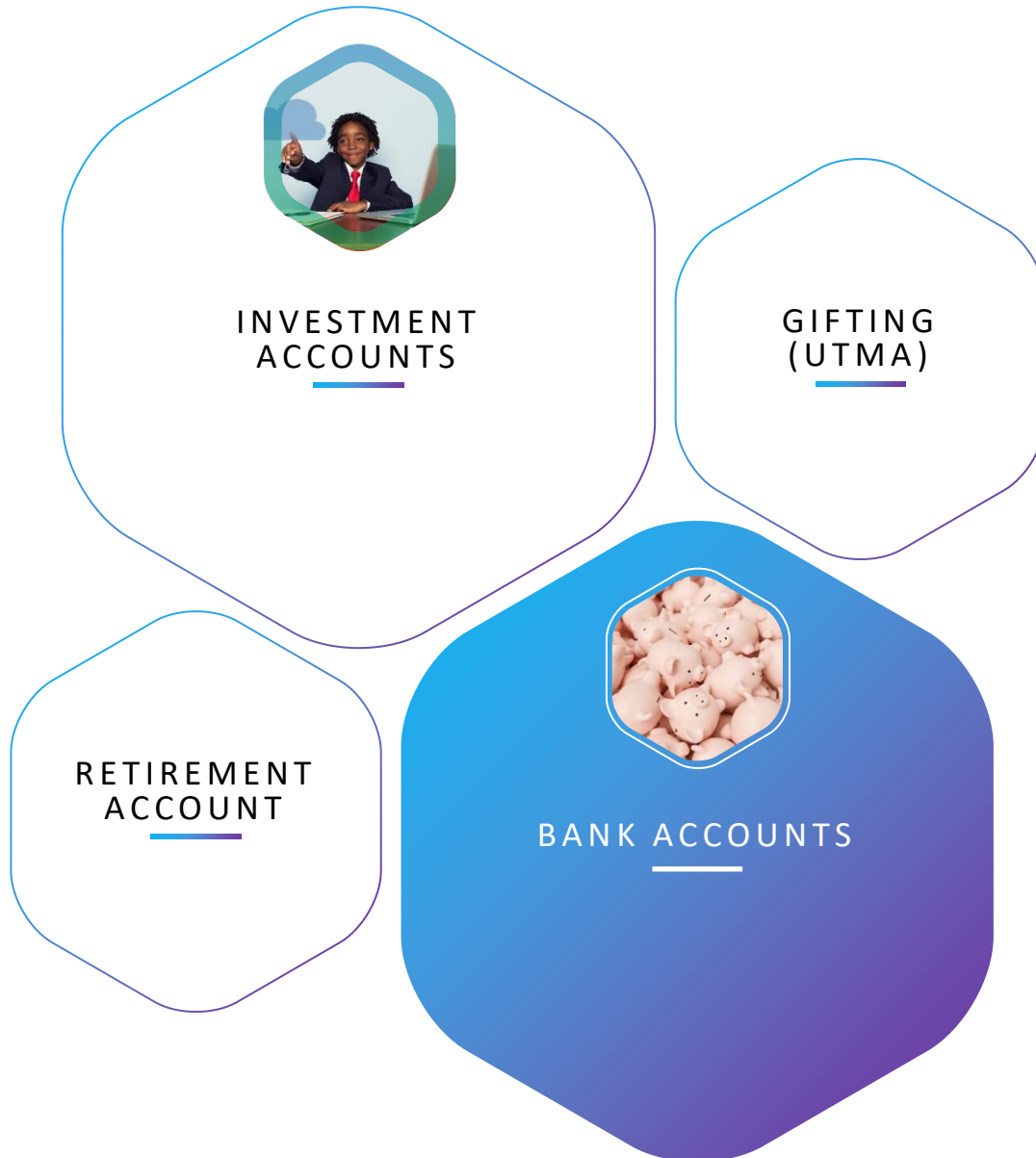
ABOUT 529s

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Investment earnings grow tax-free

Withdrawals are not taxed when used for qualified expenses



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