ENDOWMENT
WEALTH MANAGEMENT®
Fee-Only Fiduciary Advisors

EWM Personal Finance
Tips & Solutions

Learn the Advantages of Contributing to a 529 College Savings Plan Today!

A Tax-Advantaged Way to Save for Educational Expenses

Tax-Advantaged Growth:

- 529 Plan earnings grow on a tax-deferred basis, and withdrawals used for qualified education expenses are generally not subject to federal income tax.

Qualified 529 Expenses:

- Tuition and other qualified education expenses (up to full qualified amount for college; K-12 qualified expenses limited to $20,000/year)
- Books and supplies required at an eligible educational institution
- Computers, software, and internet access (For college expenses only)
- Room and board (for eligible postsecondary students enrolled at least half-time, subject to applicable limits)
- Student Loans (Lifetime limit of $10,000 per individual)

Wisconsin State Income Tax Deduction:

- Contributions may be deductible up to $5,280 annually per beneficiary for single filers and married couples filing jointly, or $2,640 for married individuals filing separately, for Wisconsin income tax purposes. Amounts exceeding the annual limit may be carried forward, subject to applicable limitations.

Gift Tax Exclusion:

- In 2026, gifts up to $19,000 per recipient qualify for the annual federal gift tax exclusion, subject to applicable requirements. A married couple may give up to $38,000 per recipient if each spouse uses their $19,000 annual exclusion.

Accelerated Gifting:

- Under certain circumstances, an individual may elect to treat a lump-sum 529 contribution as made ratably over a five-year period for federal gift tax purposes, subject to applicable requirements.
- In 2026, the five-year election may permit up to $95,000 per donor, or up to $190,000 for a married couple if each spouse makes an eligible contribution and election, subject to applicable gift-tax rules.

Estate Planning Advantages:

- 529 plan contributions are generally treated as completed gifts and removed from the contributor's taxable estate for federal estate tax purposes while the account owner may retain control of the account, assuming the contributor is not also the beneficiary.

You can change the beneficiary of a 529 account at any time to another eligible family member without federal income tax or penalty.

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For more information:
Call us at (920) 785-6010 or visit
www.EndowmentWM.com

What if the beneficiary does not use all of the 529 funds?

Eligible 529 account funds may be rolled directly into the account beneficiary's Roth IRA, subject to applicable requirements and limitations.

- The annual rollover cannot exceed annual Roth IRA contribution limits ($7,500 for individuals under age 50 and $8,600 for individuals age 50 or older in 2026).
- The lifetime maximum conversion limit is $35,000 for each 529 account beneficiary.
- The beneficiary must have earned income at least equal to the amount being rolled over, subject to applicable Roth IRA requirements.
- The 529 Account must have been opened for at least 15 years.
- Amounts eligible for rollover may not include contributions, or earnings attributable to those contributions, made during the five-year period ending on the date of the rollover.
- Modified Adjusted Gross Income (MAGI) limitations do not apply to these conversions.

To learn more about Endowment Wealth Management and our Fee-Only Fiduciary Advice:

Call: (920) 785-6010

Visit: www.EndowmentWM.com