

529-to-Roth IRA Rollover Instructions

Effective January 1, 2024, owners of a Section 529 College Savings Plan are permitted to roll over funds from their pre-existing 529 account into the account beneficiary's Roth IRA.

This new rule does not apply to Education Savings Accounts (ESAs), but ESA funds can be rolled into a 529 account, then subsequently rolled into a Roth IRA assuming all conditions are satisfied.

Important Details:

- The 529 account must have been established for a minimum of 15 years.
- Contributions and earnings being rolled over must have been in the 529 act. for at least 5 years.
- This direct rollover can only be made to the Roth IRA of the 529 account beneficiary (not owner).
 - Ensure the beneficiary's legal name and address are updated before initiating the rollover.
- The MAGI phaseout for Roth IRA contributions does not apply to 529-to-Roth IRA rollovers.
- The beneficiary must have earned income equal to the amount being contributed/rolled over.
 - If you are filing Married Filing Jointly (MFJ) and one spouse has earned income, the spouse with no earned income can still process the rollover through a Spousal IRA.
- The maximum lifetime amount that can be rolled over from a single 529 account to a Roth IRA is \$35,000 per beneficiary.

Yearly amount you can roll over from 529 to Roth:

- Your max IRA contribution limit for the year minus any contributions already made for the year.

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How to Complete the Rollover:

- If you meet the requirements listed on the first page, you are ready to initiate your rollover.
- In Wisconsin, you have until the tax filing deadline (April 15th) to fund last year's contributions.

Edvest 529:

- Click "Account Center", then "Forms"
- Scroll down under "Withdrawals" and click "Direct Rollover Out to Roth IRA"
- Download and complete the form, then mail it in to the address listed on the front page.

If you use a different 529 plan provider or need help finding the rollover form, please contact EWM and one of our advisors will be happy to assist you.

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