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 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 moved into a 529 account, then subsequently rolled into a Roth IRA assuming all conditions are satisfied.

Important Details:

- This direct rollover can only be made to the Roth IRA of the 529 account beneficiary (not owner).
    - If your daughter got married and changed her last name, please be sure her name is updated as the beneficiary on the 529 account before you initiate the rollover.
- The 529 account must have been established for a minimum of 15 years.
- Contributions and earnings being rolled over must have been in the account for at least 5 years.
- MAGI phaseout for Roth IRA contributions do not apply to 529 to Roth IRA rollovers.
- The 529 Account beneficiary must have earned income equal to the amount being contributed/ rolled into the Roth IRA.
- The maximum lifetime amount that can be rolled over from a single 529 account to a Roth IRA is $35,000 per account beneficiary.

This summary does not include all eligibility requirements and limitations. Consult current IRS guidance and your tax professional before taking action.

Yearly amount you can roll over from 529 to Roth:

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

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How to Complete the Rollover:

- Individuals who believe they may qualify should review current IRS guidance and consult their tax advisor before initiating a rollover. Eligibility depends on individual circumstances.
- 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.

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

Call: (920) 785-6010

Visit: www.EndowmentWM.com

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