



Franklin Templeton 529 College Savings Plan

Offered nationwide by the New Jersey Higher
Education Student Assistance Authority (HESAA)



Not FDIC Insured | May Lose Value | No Bank Guarantee

What does the future hold?

As soon as your child is born, you begin imagining what his or her future will hold. You await the first word, watch for the first step, and try to envision what they will grow up to be.

Whatever that is, it's likely to require a college degree. So as your child takes the first steps toward the future, it's important that you take the first steps toward planning for their education.

Franklin Templeton 529 College Savings Plan, offered nationwide by the New Jersey Higher Education Student Assistance Authority, is a great place to begin.

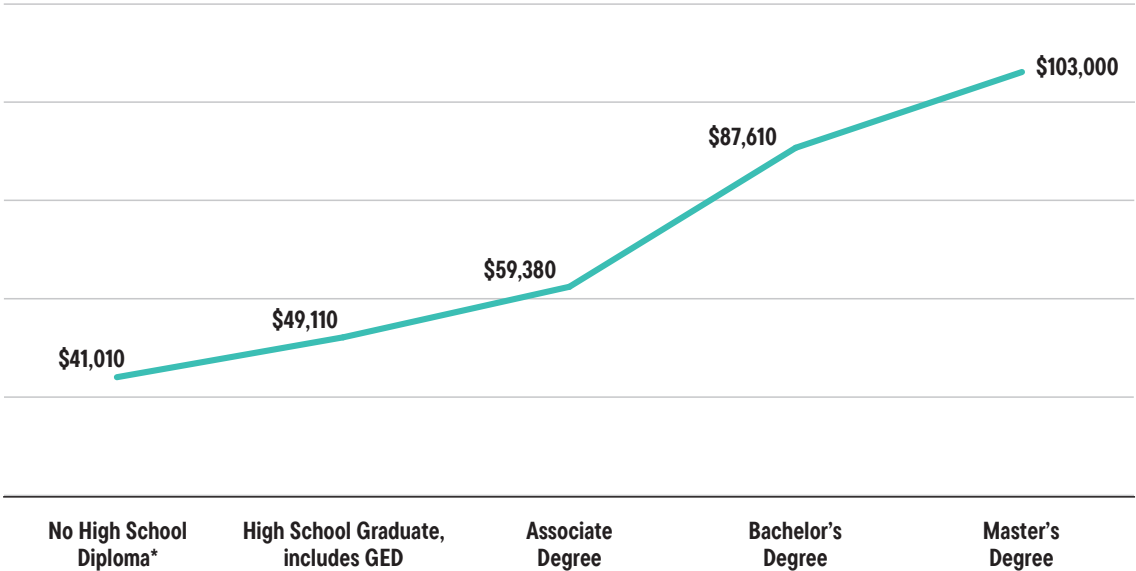
This brochure will help you discover:

- The rewards of a college degree
- How much a college education could cost
- The impact of borrowing later
- Lump-sum contribution vs. monthly investments
- The benefits of the plan
- Investment option details
- Frequently asked questions
- Different ways to save
- How to get started today

The future holds more for college graduates

A college education is an investment in your child's future that pays handsomely—college graduates earn an average of 78% more per year than high school graduates and, over a lifetime, that difference amounts to more than \$1.7 million in earnings.¹ People who hold advanced degrees are paid even more—clear evidence of the lifelong value of a college education.

Average Earnings in 2022, Based on Level of Education¹



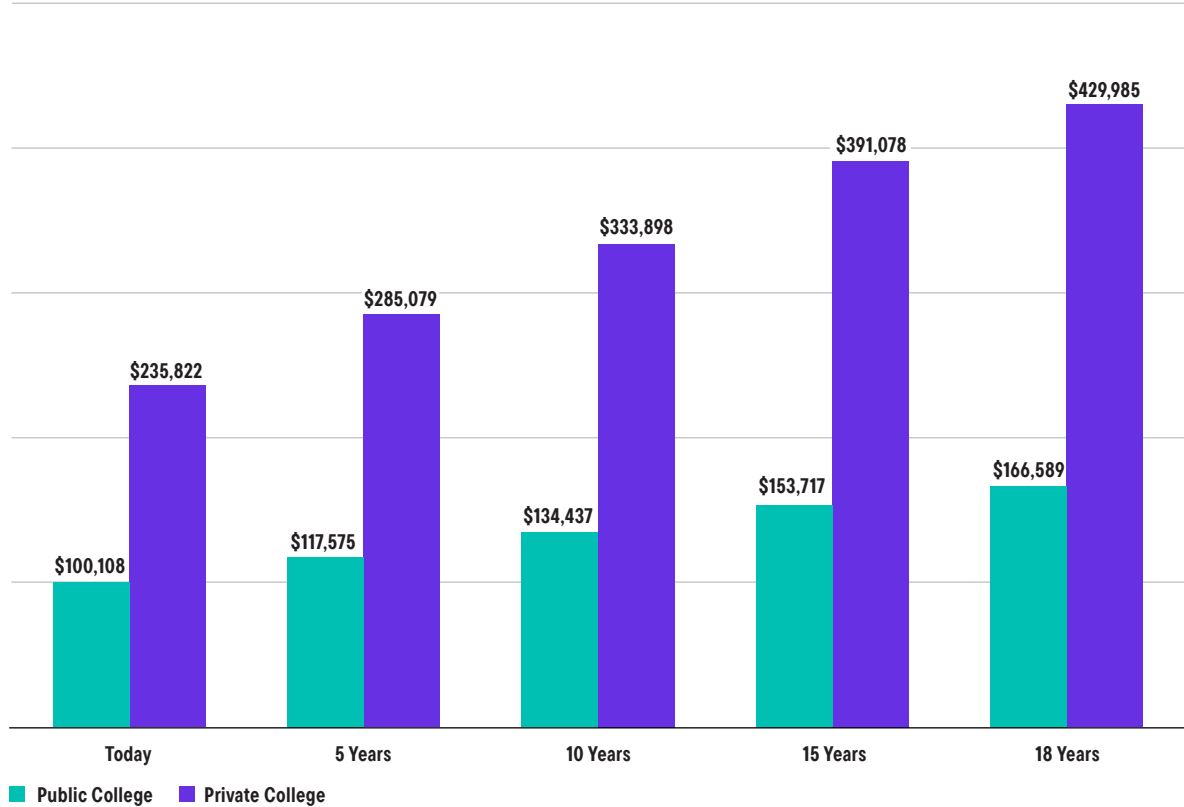
* Attended a portion of high school but did not graduate.
1. Source: U.S. Census Bureau, Current Population Survey, 2023 Annual Social and Economic Supplement.

A college education is expensive

If paying for your child’s college education is your goal, you’ll need to plan well in advance. College education expenses have climbed over 2.70% annually during the past 10 years. That means a child born today could need over \$160,000 to attend a four-year public college.²

How Much Will it Cost?²

Projected average cost for four years of college



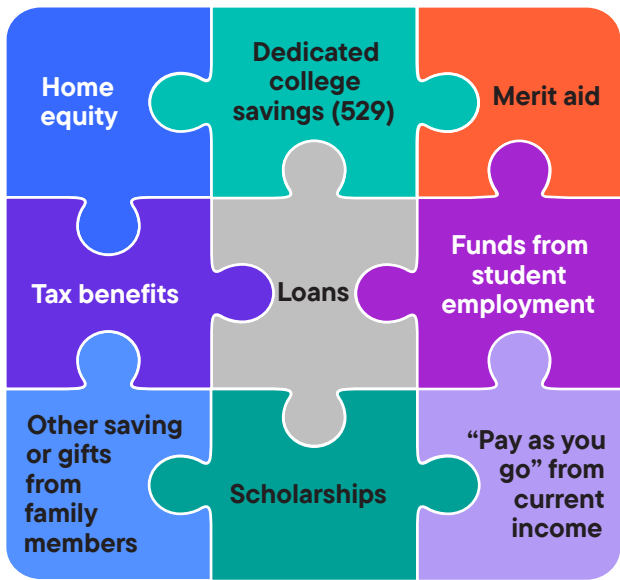
“My daughter enjoys going to school and her grades reflect her enthusiasm. With the rising cost of a college education, it’s important for our family to invest in her future now.”



2. Trends in College Pricing, © 2023 The College Board, www.collegeboard.org. Projected cost based upon child’s entrance to a four-year public or private college. As reported by the College Board for 2023–24, the \$24,030 public college cost and \$56,190 private college cost include tuition, fees, room and board. College cost inflation figures of 2.72% (public) and 3.21% (private) are based on the 10-year average annual increase in public and private college costs respectively, as reported by The College Board for 2023–24.

Start saving now

For most families, meeting the college funding challenge is like solving a puzzle with many different pieces. How can families make the most of these “pieces” in a way that won’t leave the student (or family) too deeply in debt?



When your child is young, it’s easy to believe you have plenty of time to save for college. The truth is that saving for college is a long-term goal. Start small if you have to, but start now.

Invest for college now or borrow later?³

In 18 years it could cost over \$160,000 to send a child born today to college. Considering the example below, parents could wait until their child is 18 years old and borrow the money, paying interest for at least 15 years. Or, when their child is born, they could begin investing \$394 monthly in a tax-advantaged investment earning a hypothetical 7% annual return before taxes and investment expenses. In this example, they would save over \$158,000 by investing now, rather than borrowing later.

The Cost of a Newborn’s College Education

Investing Today Invest \$394 monthly for 18 years which grows to \$166,589 at 7%.	\$85,007	a \$158,886 difference
Paying Tomorrow Pay \$1,355 monthly on a \$166,589 loan for 15 years at 5.50%.		\$243,893

Examples are for illustrative purposes only and are not representative of any particular investment. The table does not take into account investment expenses, which if reflected, would lower the results shown. All investments involve risk and do not guarantee any specific rate of return, and you may have a gain or a loss on the amounts invested. Periodic investing plans do not assure a profit and do not protect against loss in a declining market.

3. Source: **The College Board**, Trends in College Pricing, 2023. Projected cost based upon child’s entrance to college for four years at a public college. Figure is based upon the 2.72% 10-year average annual increase in public college costs, as reported by The College Board for the 2023–24 school year. Cost includes tuition, fees and room and board. The borrowing example assumes a fixed interest rate of 5.50% based on a subsidized Stafford loan issued between 7/1/2023–7/1/2024. Examples are for illustrative purposes only, are not representative of any particular investment, and do not take taxes into account. Investments do not guarantee any specific rate of return, and you may have a gain or a loss on the amounts invested. Periodic investing plans do not assure a profit and do not protect against loss in a declining market.

A smarter way to invest for college®

Franklin Templeton 529 College Savings Plan, offered nationwide by the New Jersey Higher Education Student Assistance Authority, can be a smarter way to invest for college. Here are just a few features you can enjoy as an account owner:⁴

Smart tax advantages

• Federal income tax benefits

Earnings grow federal income tax-free, and earnings are free from federal income tax when withdrawn for qualified higher education expenses, used up to \$10,000 per year for tuition for eligible primary and secondary schools, or up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or a sibling.⁵

• Special gift and estate tax treatment

A contribution in one year of up to \$90,000 (or \$180,000 if a married couple) to a single beneficiary is generally exempt from federal gift and estate taxes if you make no further gifts to the beneficiary for five years.

Smart benefits

• Control over plan assets

As account owner, you maintain control over how and when plan assets will be spent for qualified college expenses.

• Low contribution requirement

Get started with as little as \$25 with automatic investment plan.

• No income restrictions

You can open a plan regardless of how much you earn.

• 529 to Roth IRA transfers provision

529 plans were given an additional tax benefit allowing **qualified savers to transfer unused 529 funds into a beneficiary's Roth IRA** (maximum \$35,000 lifetime).⁶ Thanks to this, you will be able to avoid penalties on the unused portions of your savings that will not be used for qualified educational expenses.

Special benefits for New Jersey residents

The state of New Jersey, in part through the New Jersey College Affordability Act, provides benefits to help New Jersey residents save money when investing for education with the Franklin Templeton 529 College Savings.

• Contributions into a Franklin Templeton 529 College Savings Plan of up to \$10,000 per year, for taxpayers with gross income of \$200,000 or less, are eligible for a **New Jersey state tax deduction**.⁷

• **Matching grant program** of up to \$750 into new accounts for new beneficiaries.⁸

• **Tax-free scholarship** of up to \$6,000.⁹



“My son is interested in computers. I want him to go to college and learn about technology. That’s why I contribute to a tax-advantaged 529 Savings Plan each month to save for his future college expenses.”

Tax benefits are conditioned on meeting certain requirements. Federal income tax, a 10% federal tax penalty, and state income tax and penalties may apply to nonqualified withdrawals of earnings. Generation-skipping tax may apply to substantial transfers to a beneficiary at least two generations below the contributor. Gift examples are general; individual financial circumstances and state laws vary—consult a tax professional before investing. If the contributor dies within the five-year period, a prorated portion of contributions may be included in their taxable estate. See the Program Description for more complete information.

4. Please read the *Program Description* for more information, or speak with your financial professional.

5. The Federal Tax Cuts and Jobs Act (TCJA), which was signed into law in December 2017 and became effective January 1, 2018, expanded the definition of a qualified higher education expense to include up to \$10,000 (federal tax-free withdrawals) per year in tuition expenses at private, public and religious elementary and secondary schools (K-12). The state tax consequences of using 529 plans for elementary or secondary education tuition expenses will vary depending on state law and may include recapture of tax deductions received from the original state and may also include taxes and penalties. Some states do not offer state tax deductions or tax credits for K-12 tuition, and other restrictions may apply.

6. SECURE Act 2.0. Transfers are subject to Roth IRA contribution limits, and the account must have been open for more than 15 years. This provision is effective for distributions after December 31, 2023. Other conditions apply. For more information please visit: www.finance.senate.gov.

7. The New Jersey College Affordability Act allows for a state tax deduction for contributions into a Franklin Templeton 529 College Savings Plan of up to \$10,000 per year, for those with gross income of \$200,000 or less, beginning with contributions made in tax year 2022. The maximum deduction is \$10,000. Because each investor's circumstances are different, please consult your tax professional for more information about considerations that may be relevant to your particular situation.

8. The New Jersey College Affordability Act allows taxpayers with household adjusted gross income between \$0 and \$75,000 to be eligible for a one-time grant of up to \$750 matched dollar-for-dollar of the initial deposit into a Franklin Templeton 529 College Savings Plan account for accounts open on or after June 29, 2021. Visit HESAA's site for terms and conditions and how to apply. This program is subject to available funding.

9. Investing in a Franklin Templeton 529 College Savings Plan does not guarantee admission to any particular elementary or secondary school or to college, or sufficient funds for elementary or secondary school or for college. The scholarship is only available for college and is awarded any fall or spring semester of college. The NJBEST scholarship is provided by the New Jersey Higher Education Student Assistance Authority.

Investment options

When you open a Franklin Templeton 529 College Savings Plan, you get more than a powerful college savings tool: you also get experienced and knowledgeable management of your assets. Franklin Templeton’s distinct multi-manager structure combines the specialized expertise of our investment management groups and the flexibility to vary allocations to strategic underlying funds within asset class targets.¹⁰

Smart investment options

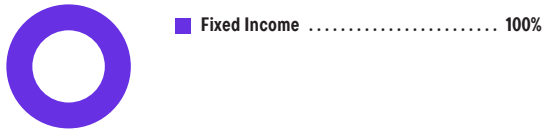
With a wide range of investment options, the plan allows you and your financial professional to design a program matching your individual needs. You may choose to invest among as many of the following portfolios as you’d like, as long as the total allocation equals 100%.

Objective-based asset allocations

These portfolios allow you to invest your assets according to the amount of investment risk you’re comfortable taking and the potential return characteristics you prefer. **The portfolios are periodically rebalanced to maintain allocation percentages.**

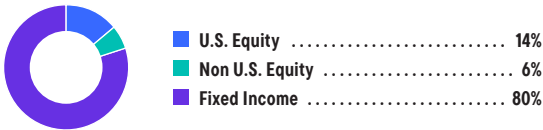
Franklin Conservative Allocation 529 Portfolio

This Investment Option is designed for investors with a short time horizon and/or a low tolerance for risk.



Franklin Conservative Growth Allocation 529 Portfolio

This Investment Option is designed for investors with a shorter-to-medium investment time horizon and/or a lower tolerance for risk.



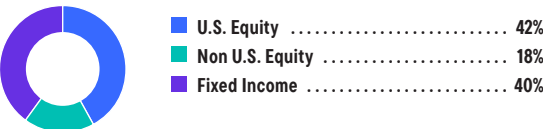
Franklin Moderate Allocation 529 Portfolio

This Investment Option is designed for investors with a longer-to-medium investment time horizon and/or a moderate tolerance for risk.



Franklin Moderate Growth Allocation 529 Portfolio

This Investment Option is designed for investors with a longer-to-medium investment time horizon and/or a moderate tolerance for risk.



Franklin Growth Allocation 529 Portfolio

This Investment Option is designed for investors with a longer investment time horizon and/or a higher tolerance for risk.



Franklin Aggressive Growth Allocation 529 Portfolio

This Investment Option is designed for investors with a longer investment time horizon and/or a higher tolerance for risk.



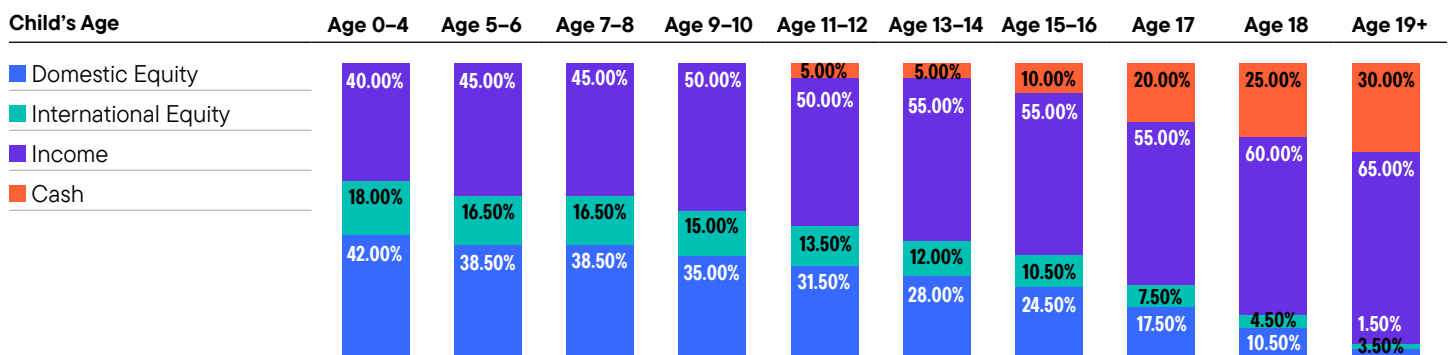
10. The plan is managed by Franklin Mutual Advisers, LLC, an affiliate of Franklin Distributors, LLC. Plan portfolios generally invest in funds managed by affiliates of Franklin Mutual Advisers, LLC. An investment in Franklin Templeton 529 College Savings Plan is an investment in a municipal security that may invest in one or more underlying mutual funds. It is not an investment in shares of the underlying mutual fund(s), which could include Brandywine Global Investment Management, LLC, ClearBridge Investments, LLC, Martin Currie Inc., and Western Asset Management Company, LLC, subsidiaries of Franklin Templeton, Inc.

Age-based asset allocations¹¹

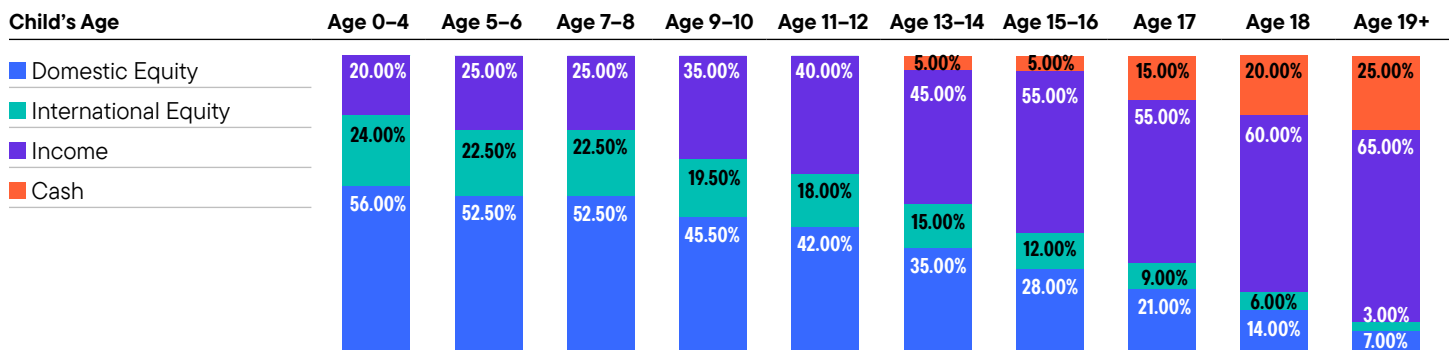
Work with your financial professional to select an age-based asset allocation track appropriate for you—conservative, moderate or growth. Your investments will be placed in a portfolio within the asset allocation you choose based on the beneficiary's age. As your beneficiary ages, the age-based allocations move into plan portfolios with less equity-based funds (which have more stocks) and more conservative, income-seeking funds (such as bond and money market funds). As college approaches, a greater proportion of your assets will be in investments designed to be more conservative and lower-risk.

How your investment changes as your beneficiary ages

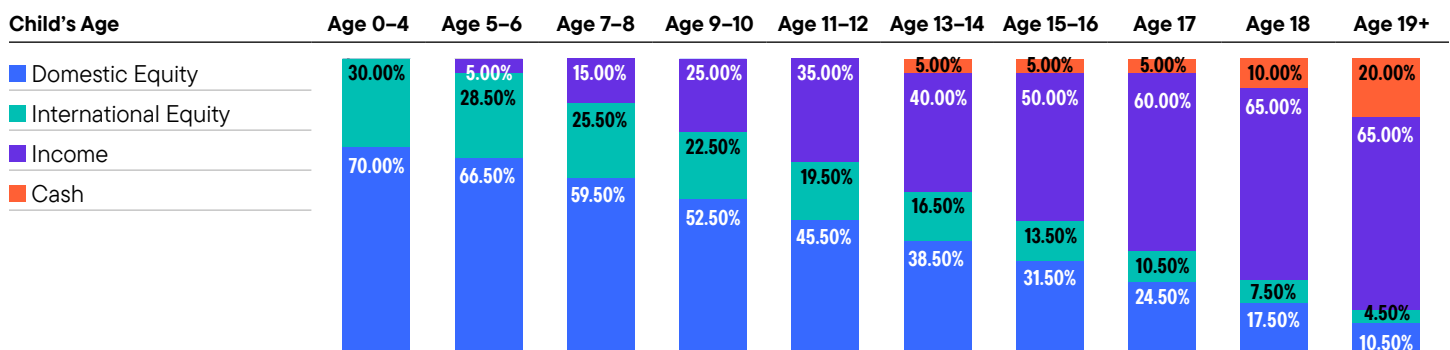
Franklin Conservative Allocation 529 Portfolio



Franklin Moderate Allocation 529 Portfolio



Franklin Growth Allocation 529 Portfolio



11. The Age-Based Asset Allocations have been designed for savings intended for qualified higher education (i.e. college) expenses, not for elementary or secondary education tuition expenses. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

Individual portfolios

You also have the option of working with your financial professional to assemble your own portfolio, creating an asset allocation mix to suit your college investing needs.

U.S. Equity

Franklin Growth 529 Portfolio

ClearBridge Large Cap Value 529 Portfolio

Franklin U.S. Large Cap Index 529 Portfolio

Franklin Small-Mid Cap Growth 529 Portfolio

Ariel 529 Portfolio¹²

Franklin DynaTech 529 Portfolio

Non-U.S. Equity

ClearBridge International Growth 529 Portfolio

Balanced

Franklin Income 529 Portfolio

Fixed Income

BrandywineGlobal – Global Opportunities 529 Portfolio

Western Asset Short-Term Bond 529 Portfolio

Western Asset Core Plus Bond 529 Portfolio

Money Market

Franklin U.S. Government Money 529 Portfolio

ESG

Martin Currie International Sustainable Equity 529 Portfolio

ClearBridge Sustainability Leaders 529 Portfolio

While the Franklin U.S. Government Money 529 Portfolio will invest all of its assets in a money market mutual fund and will value its units based on the underlying money market fund share value, the Franklin U.S. Government Money 529 Portfolio itself is not a money market mutual fund. The Franklin U.S. Government Money 529 Portfolio will not seek capital appreciation and may under perform other investment options. You could lose money by investing in this investment option. Although the underlying money market fund in which the Franklin U.S. Government Money 529 Portfolio invests seeks to preserve its value at \$1.00 per share, the underlying fund cannot guarantee it will do so. An investment in this investment option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The underlying fund's sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

¹² Assets of the Ariel 529 Portfolio currently are invested in the Ariel Fund, a series of Ariel Investment Trust, distributed by Ariel Distributors, LLC. The Ariel Fund's fundamental objective is long-term capital appreciation. Ariel Investments, LLC is not affiliated with Franklin Templeton. For a description of the Fund's main types of investment risks, please see the *Program Description*.

Frequently asked questions⁴

Here are some common questions about Franklin Templeton 529 College Savings Plan:

What education expenses qualify?

Savings can be used for any qualified tuition expenses. Additionally, savings can be used at accredited colleges and certain vocational schools for qualified expenses which can include mandatory fees, supplies, books or other required equipment, and room and board, if the beneficiary is enrolled at least half-time. Savings can also be used for certain certified apprenticeship expenses. In addition, up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or a sibling.⁵

Can I withdraw my money for a non-education related expense?

Yes. You can access your money at any time. However, if you withdraw money for reasons other than qualified education expenses, you must pay federal income tax, a 10% federal tax penalty, and you may be liable for state income tax and penalties on the taxable portion of the earnings. Effective January 2024, unused 529 funds can also be transferred into a beneficiary's Roth IRA.⁶

Does the beneficiary have access to the money?

No. The account owner—not the beneficiary—maintains control over how and when plan assets will be spent for higher education expenses.

Are there restrictions on schools?

529 savings can be used at most accredited two- and four-year colleges and universities and vocational schools, including many outside the U.S., as well as certified apprenticeships. Up to \$10,000 per year per beneficiary can be used for tuition for eligible public, private and religious primary and secondary educational institutions (K-12). What expenses will be regarded as “tuition” in the case of public schools may vary by state.⁵

Can I change the beneficiary?

Yes, you can change the beneficiary at any time. To avoid taxes, however, the new beneficiary

must be a member of the previous beneficiary's family (including children, grandchildren, siblings, spouses, nieces and nephews, aunts and uncles, cousins and in-laws).

What is the program management fee?¹³

The program management fee is currently 0.25% annually. This fee is used to pay for the services of Franklin Distributors, LLC, and its affiliates and subcontractors, as well as the New Jersey Higher Education Student Assistance Authority for its services in connection with the program. The program management fee is subject to change. Investment management fees and expenses are also assessed by the mutual funds in which the plan portfolios generally invest. Please see the *Program Description* for further discussion of the expenses associated with the plan.

Can I roll over other 529 plan assets?

You may roll over funds from another qualified tuition program established under Section 529 of the Tax Code to Franklin Templeton 529 College Savings Plan. Such a rollover will be subject to requirements of the Tax Code, and you will need to provide Franklin Templeton with acceptable documentation from the prior program regarding the portion of any rollover contribution that consists of a return of principal and the portion that consists of earnings. Please contact your tax professional for more information.



¹³ Each plan account is subject to an annual program management fee of 0.25% of assets and underlying fund expenses, currently up to 0.75% of assets, which may vary, and sales charges, which vary by class of share. See the *Program Description* for more complete information.

Ways to save for education

A number of education savings vehicles are available, and the chart below illustrates their main features. Once you've compared them, we think you'll agree that Franklin Templeton 529 College Savings Plan can be a smart way to save for education.

	Franklin Templeton 529 College Savings Plan	UGMA/UTMA	Coverdell Education Savings Account	Regular Investment Account
Federal Income Tax-Free	Earnings grow federal income tax-free, and earnings are free from federal income tax when withdrawn for qualified higher education expenses, used up to \$10,000 per year for tuition for eligible primary and secondary schools, or up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or a sibling ⁵	No. Earnings are taxed at the parent's or the minor's rate	Yes. Money grows income tax-free and qualified distributions are federal income tax-free	No
Maximum Contribution	\$305,000 in all plans for any one beneficiary	None	\$2,000 per beneficiary under age 18, per year ¹⁴	None
Maximum Income to Qualify	No limits	No limits	Phases out for single filers at \$95,000 to \$110,000; for joint filers at \$190,000 to \$220,000	No limits
Who Controls Disbursement of Assets?	Plan owner	Custodian, until minor reaches age of majority (varies by state)	Responsible individual	Registered owner
Ability to Change Beneficiary	In most instances, the beneficiary can be changed to another member of the beneficiary's family, without penalty	No	Can be transferred to the account of an eligible member of the same family without tax consequences and must occur before the original beneficiary attains the age of 30 ¹⁴	No named beneficiary; transfer may be considered a gift or sale
Estate-Planning Features	Assets are generally transferred out of the donor's estate, yet the donor retains control	Assets are transferred out of the donor's estate	Assets are transferred out of the donor's estate	Transfer of income may be considered a gift
Freedom to Choose Educational Institutions	Can be used at most accredited two- and four-year colleges and universities and vocational schools, including many outside the U.S., as well as certified apprenticeships ⁵	No restrictions on use	Can be used for any qualified higher education expense. Must be used before beneficiary is age 30 ¹⁴	No restrictions
Use for Primary and Secondary (K-12) Education	Up to \$10,000 per year per beneficiary can be used for tuition for primary and secondary educational institutions (K-12) ⁵ NOTE: What expenses will be regarded as "tuition" in the case of public schools may vary by state	No restrictions on use	Can be used for any qualified primary and secondary education expenses	No restrictions
Use for Student Loans	Up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or sibling ⁵	Funds must be used for benefit of the minor	No	No restrictions
Early or Non-Qualified Withdrawal	Earnings are taxable and are subject to a 10% federal tax penalty, state taxes and penalties	Funds must be used for benefit of the minor	Earnings are taxable and are subject to a 10% federal tax penalty, state taxes and penalties	No
Federal Financial Aid Treatment	A parent-owned 529 account reported on the federal financial aid application is assessed at a maximum 5.64% rate in determining the Student Aid Index. Grandparent owned 529s are not included in FASFA calculations	Child-owned assets reported on the federal financial aid application are assessed at a maximum 20% rate in determining the Student Aid Index	A parent-owned 529 account reported on the federal financial aid application is assessed at a maximum 5.64% rate in determining the Student Aid Index. Grandparent owned 529s are not included in FASFA calculations	Parental assets reported on the federal financial aid application are assessed at a maximum 5.64% rate in determining the Student Aid Index
Spyng Crowdfunding Tool	Yes, makes it easy for friends and family to contribute	No	No	No

For Franklin Templeton 529 College Savings Plan:

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14. Except in the case of a Special Needs Beneficiary.

Getting started is as easy as 1, 2, 3

All you need to do is:

1 | Educate yourself

Find more complete information about the plan in the *Program Description*.

2 | Select an investment portfolio

Select the investment strategy that best suits your college savings needs.

3 | Open a plan

Just fill out an application and return it following the instructions provided.

Your best investment may be a financial professional

Finding the resources and discipline to invest regularly for college is challenging for many people. Knowing how to invest your money may present an even bigger challenge.

That's why we recommend seeking the assistance of a financial professional.

A financial professional can help you lay the groundwork for a successful investment plan tailored to your financial goals, risk tolerance and time frame, as well as recommend the appropriate investments that can help you reach your education savings goals.



All investments involve risk including possible loss of principal. Diversification does not guarantee a profit or protect against a loss.

Investors should carefully consider the 529 plan's investment goals, risks, charges and expenses before investing. To obtain the *Program Description*, which contains this and other information, talk to your financial professional or call Franklin Distributors, LLC, the manager and underwriter for the 529 plan at (800) DIAL BEN/342-5236 or visit franklintempleton.com. You should read the *Program Description* carefully before investing and consider whether your, or the beneficiary's, home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in its qualified tuition program.

Franklin Templeton's 529 College Savings Plan is offered and administered by the New Jersey Higher Education Student Assistance Authority (HESAA); managed and distributed by Franklin Distributors, LLC, an affiliate of Franklin Resources, Inc., which operates as Franklin Templeton.

Investments in Franklin Templeton's 529 College Savings Plan are not insured by the FDIC or any other government agency and are not deposits or other obligations of any depository institution. Investments are not guaranteed by the State of New Jersey, Franklin Templeton, or its affiliates and are subject to risks, including loss of principal amount invested. Investing in the plan does not guarantee admission to any particular primary, secondary school or college, or sufficient funds for primary, secondary school or college.

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