



# A smarter way to invest for education<sup>®</sup>

## Franklin Templeton 529 Savings Plan

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



Franklin Templeton 529 College Savings Plan offers a smart and flexible way to save for your child's future. With tax advantages, diverse investment options, and the flexibility to use funds for a wide range of educational paths, a 529 plan can help you prepare for rising tuition costs and ensures your child has the opportunity to pursue their dreams.

Start saving today and watch your investment grow, knowing you're paving the way for a brighter future.

Here are just a few features you can enjoy as a Franklin Templeton 529 College Savings Plan account owner:

### Flexibility and options

- **Control over plan assets.** As account owner, you maintain control over how and when plan assets will be spent for qualified education expenses.
- **Low contribution requirement.** Get started with as little as \$25.<sup>1</sup>
- **No income restrictions.** You can open a plan regardless of how much you earn.
- **Special benefits for New Jersey residents.** Boost your savings with a **tax-free scholarship** of up to **\$6,000**<sup>2</sup> or you may qualify for a **one-time grant of up to \$750**, matching your initial deposit dollar-for-dollar.<sup>3</sup>

### Broad usage

- **Wide range of schools.** Your 529 plan isn't just for traditional four-year colleges. From K-12 to college and career training, 529 savings can be used across a wide range of education options and career credentialing nationwide.<sup>4</sup>
- **Use for loans.** Up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or a sibling.<sup>4</sup>
- **Transfer to Roth IRA.** Savers can transfer unused 529 funds into a Roth IRA for the beneficiary (lifetime limit of \$35,000).<sup>5</sup>

### Smart investment options

- **Distinct investment strategies.** The plan offers three investment strategies that seeks to meet your education savings goals:<sup>6</sup>
  - **Target enrollment portfolios.** Simplify your investment decision with a portfolio based on your child's expected enrollment date. Target Enrollment Portfolios adjust their asset allocation based on the expected year a child will use the savings. As the enrollment date gets closer, the portfolio automatically shifts to include more conservative investments to help manage risk.
  - **Objective-based asset allocations.** Portfolios designed to reflect the amount of risk you are comfortable taking, and the potential return characteristics you prefer.
  - **Customized strategy.** Choose from one or a combination of individual portfolios that range from growth allocations to more conservative income portfolios.
- **Professional investment management.** As account owner, you get experienced and knowledgeable management of your assets from Franklin Templeton. Our distinct multi-manager approach combines the specialized expertise of world-class multi-investment management groups.<sup>6</sup>



### Tax advantages

- **Federal income tax benefits.** Contributions into your plan grow tax-free, and withdrawals for qualified educational expenses are also tax-free. This could add up to more savings for families like yours.<sup>4</sup>
- **Special gift and estate tax treatment.** A special tax provision allows individuals to make a large, lump-sum contribution to a 529 college savings plan and treat it as if it were made evenly over five years for federal gift tax purposes.
- **New Jersey state tax deduction.** For families with a gross income of \$200,000 or less, Franklin Templeton 529 offers a state income tax deduction on contributions up to \$10,000 per year. This benefit can help reduce your taxable income while you save for your child's future educational needs.<sup>7</sup>

*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 non-qualified 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.*

1. See the *Program Description* for more complete information.

2. Investing in Franklin Templeton 529 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 scholarship may be awarded only once to an eligible beneficiary. The NJBEST Scholarship is provided by the New Jersey Higher Education Student Assistance Authority.

3. The New Jersey College Affordability Act allows taxpayers with household adjusted gross income between \$0 and \$75,000 may 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. Visit [HESAA.org](https://www.hesaa.org) for terms and conditions and how to apply. This program is subject to available funding.

4. Effective in 2026, federal law further expanded provisions to allow up to \$20,000 per year in federal tax-free withdrawals per beneficiary from 529 plans for qualified elementary and secondary education expenses. In addition to tuition at private, public and religious schools, qualified expenses may include certain additional K-12 education costs as defined under federal law. The state tax consequences of using 529 plan assets for elementary or secondary education expenses vary by state and may include recapture of prior state tax deductions or credits, as well as state taxes and penalties. Some states do not conform to the federal definition of qualified K-12 expenses, do not offer state tax deductions or credits for such withdrawals, or may impose other restrictions.

5. 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: <https://www.finance.senate.gov>.

6. 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., Putnam Investments, Clarion Partners, K2 Advisors, Royce Investment Partners and Templeton subsidiaries of Franklin Templeton, Inc.

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. 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.

# Start planning for your child's future, today.

It can be as easy as 1-2-3.

## 1 | Educate yourself

Order an Investor Kit, which includes the *Program Description*, by visiting **franklintempleton.com** or by calling (866) 362-1597. Our dedicated service representatives are available to answer any questions you may have about the plan.

## 2 | Select an investment portfolio

Select the portfolio that best aligns with your education savings goals.

## 3 | Complete an application

Work with your financial professional to complete an application.



Not FDIC Insured | No Bank Guarantee | May Lose Value

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, call (866) 362-1597, or visit [franklintempleton.com](http://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.*

*The Program and its associated persons make no representations regarding the suitability of the Program's investment portfolios for any particular investor. This material is intended to be of general interest only and should not be construed as individual investment advice or a recommendation by Franklin Distributors, LLC. Other types of investments and other types of education savings vehicles may be more appropriate depending on your personal circumstances.*

*This material has been provided for informational purposes only and should not be construed as investment advice or a recommendation of any particular investment product, or strategy.*



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