Here are 10 reasons why many parents and grandparents have selected 529 savings plans to help invest for their loved ones’ future education.

1| PAY FOR MORE THAN JUST TUITION
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.¹

2| ABILITY TO CHANGE BENEFICIARIES
The beneficiary can be changed to a member of the immediate or extended family (including siblings, grandchildren, nieces, nephews, cousins and more).

3| CONTROL OF ASSETS
The account owner—not the beneficiary—maintains control of the assets, including how and when they will be used.

4| CONTRIBUTION FLEXIBILITY
Many 529 plans allow account owners to contribute as little as $25 to an account. Most plans allow account owners to contribute $300,000 (or more) per beneficiary over the lifetime of the account.²

5| WIDE RANGE OF 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.¹

6| NO INCOME RESTRICTIONS
Anyone can open a plan regardless of their income.

7| MULTIPLE INVESTMENT OPTIONS
Most 529 plans offer a wide range of investment choices allowing you to invest your assets in the portfolio that best suits your college investing goals.

8| CONVENIENCE
Many 529 plans offer features that make them a convenient way to save for college, including monthly automatic investment plans and portfolios that automatically rebalance as the beneficiary gets closer to college.

9| EARNINGS GROW 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Earnings grow federal income tax-free, and earnings are free from federal income tax when withdrawn for qualified higher education expenses, used up to $10,000 per year for tuition for eligible primary and secondary schools, or up to $10,000 may be paid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.³

10| ESTATE PLANNING
Five years’ worth of gifts (up to $75,000 for an individual or $150,000 if a married couple) can be made at once to a 529 plan without owing federal gift tax, as long as no other gifts are made to the same beneficiary over the following five years.

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 advisor before investing. If the contributor dies within the five-year period, a prorated portion of contributions may be included in his/her taxable estate. See the Investor Handbook for more complete information.

A few words about risk. 529 plan underlying funds have risks that will cause your investment return and principal value to fluctuate. Stocks tend to fluctuate dramatically over the short term. Bond prices generally move opposite to interest rates; as bond prices adjust to a rise in interest rates, a fund’s share price may decline. High-yield, lower-rated bonds generally have greater price swings and higher default risks. Foreign investing, especially in developing markets, has additional risks such as currency and market volatility and political or social instability. These and other risks are discussed in each fund’s prospectus.
A SMARTER WAY TO INVEST FOR EDUCATION

When you open a Franklin Templeton 529 College Savings Plan, offered nationwide by the New Jersey Higher Education Student Assistance Authority, you get more than a powerful investment tool. Here are some plan features that set it apart:

Professional investment management. At Franklin Templeton, we’re dedicated to one goal: delivering exceptional asset management for our clients. By bringing together multiple, world-class investment teams in a single firm, we’re able to offer specialized expertise across styles and asset classes, all supported by the strength and resources of one of the world’s largest asset managers. This has helped us to become a trusted partner to individual and institutional investors across the globe.

Three allocation strategies to choose from:

• Age-based asset allocations: Choose an age-based asset allocation track suitable for you—conservative, moderate or growth. Investments will be placed in a portfolio within the asset allocation track chosen based on the beneficiary’s age. As your beneficiary ages, investments periodically move to a different portfolio that invests less in equity based funds and more in income seeking funds.

• Objective-based asset allocations: Invest your assets based on your risk tolerance level.

• Individual portfolios: Work with your financial advisor to assemble your own allocation.

Low contribution requirement. Get started for as little as $25.

High contribution limit. The maximum aggregate plan balance per beneficiary is $305,000.

All investments involve risks, including possible loss of principal.

Investors should carefully consider plan investment goals, risks, charges and expenses before investing. To obtain an Investor Handbook, which contains this and other information, talk to your financial advisor or call Franklin Templeton Distributors, Inc., the manager and underwriter for the plan, at (800) DIAL BEN/342-5236 or visit franklintempleton.com. You should read the Investor Handbook 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.

Each plan account is subject to an annual program management fee of 0.25% of assets and underlying fund expenses, currently up to 0.99% of assets, which may vary and sales charges, which vary by class of share. See the Investor Handbook for more complete information.

1. Federal tax law provides that up to $10,000 per year may be withdrawn from a 529 savings plan federal income-tax free, if used for tuition expenses at private, public or religious primary and secondary (K-12) schools. It is not clear what public K-12 school costs, if any, will be regarded as tuition for this purpose. Additionally, amounts paid as principal or interest on certain existing loans of the Beneficiary or their sibling, subject to various limits including annual limits, can constitute qualified distributions. State tax benefits and treatment of withdrawals for K-12 tuition and loans may vary by state, may not have been updated for changes in federal tax law and may be uncertain; consult a tax professional concerning your state.


3. Offered and administered by the New Jersey Higher Education Student Assistance Authority (HESAA); managed and distributed by Franklin Templeton Distributors, Inc., an affiliate of Franklin Resources, Inc., which operates as Franklin Templeton. No federal or state guarantee. Principal value may be lost, and investing in the plan does not guarantee admission to any particular primary or secondary school or to college or sufficient funds for primary or secondary school or for college. Please refer to the Investor Handbook for more complete information.

4. The plan is managed by Franklin Mutual Advisers, LLC, an affiliate of Franklin Templeton Distributors, Inc. Plan portfolios generally invest in mutual funds managed by affiliates of Franklin Mutual Advisers, LLC.

5. 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).

6. 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. Logos are trademarks of their respective owners. Logos are used to identify their respective companies and should not be construed as an endorsement of, or affiliation with, Franklin Templeton.