



Workplace 529 Program – 5 reasons to consider

Franklin Templeton 529 Education Savings Plan

Good news! Your employer is offering a benefit that could last a lifetime – a Workplace 529 Program from Franklin Templeton 529 Education Savings Plan. Learn why families are using Franklin Templeton to save for future education expenses.

Franklin Templeton 529 Workplace Program makes it easy!



Wide array of investments

A wide range of investment strategies, including target enrollment year portfolios, which can simplify your investment decision. Pick the one that matches the year your child will use the funds, and the asset allocation adjusts over the years to become more conservative as the enrollment year approaches. This approach helps minimize risk as you get closer to using your account to pay for qualified education expenses.



Multiple ways to contribute

Contribute the best way for you! Recurring contributions¹ or Payroll Direct Deposit are options that will help you save without the worry.



Broad appeal

Whether you are the parent, grandparent, aunt or uncle, you can open a 529 plan for the child in your life. There are no age limits or income restrictions. You can even open an account for yourself.



Value

No annual maintenance fee and initial sales charge waived on contributions when Employer group number is provided on enrollment paperwork.²



Crowdfunding

Franklin Templeton offers UGift® making it easy for family and friends to contribute to your 529 plan. *Hint: UGift® is great for birthdays, holidays or any time family or friends are wondering what gift to give your child.*

And it's easy to enroll – setup takes less than 10 minutes

Not sure if a 529 education savings plan is right for you?

Check out **common misconceptions about 529 plans** on the back page.

Employees should check with their tax/financial professional on whether their state allows for contribution deductibility.

1. Periodic investment plans do not ensure a profit and do not protect against investment loss in declining markets. Since dollar-cost averaging involves continuous investment in securities regardless of fluctuating price levels of such securities, an investor should consider his/her financial ability to continue purchasing through periods of low-price levels.

2. Each Plan account is subject to an annual Program Management Fee of 0.25% of assets, underlying fund expenses currently up to 0.75% of assets which may vary. Initial sales charge waived when employer group number provided on enrollment. See the *Program Description* for more complete information.

3. 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.

4. 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.

Common misconceptions about 529 plans

Don't let common myths keep you from making good decisions about saving for education.



MYTH: 529 plans are only for college tuition.

FACT: 529 plans can be used for a wide range of educational expenses, including:

- College and university tuition
- Trade schools and vocational programs
- Apprenticeships
- Books, fees, and equipment
- Room and board
- K-12 tuition (up to \$10,000 per year per beneficiary)⁴



MYTH: If plans change, I will have to take a non-qualified withdrawal.

FACT: You have options if the beneficiary doesn't need the funds, or you have leftover savings:

- Transfer the funds to another eligible family member, such as a sibling, cousin or even a partner
- Consider transferring unused savings into a Roth IRA for the beneficiary³
- Keep the funds in the 529 plan for future educational needs



MYTH: My child can take the money from their account when they turn 18.

FACT: You have control! The account owner owns the 529 plan's assets and controls how and when they will be used. Unlike an UGMA/UTMA, the beneficiary has no legal rights to the plan's assets, even when they turn 18.



MYTH: Only account owners are eligible to contribute to their 529 plan.

FACT: Anyone can contribute to 529 plans! This includes parents, grandparents, aunts and uncles, friends and more. UGift® makes it easy for family and friends to contribute. Visit ugift529.com for more details.



MYTH: You can only use 529 plans in your own state.

FACT: 529 savings can be used at any eligible educational institutions nationwide, and even some outside of the US.



MYTH: I make too much money to contribute to a 529 plan.

FACT: It does not matter how much you earn. 529 plans have no income limits.

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 Education 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.

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