



# CollegeChoice CD

529 SAVINGS PLAN

Imagine the educational possibilities your savings can achieve.

## Saving Made Easy

- **No Fees.**
- Any U.S. resident can open a tax-advantaged CollegeChoice CD account for any individual.
- Use the proceeds at any accredited college, university, or technical school worldwide; apprenticeship programs registered and certified with the Secretary of Labor; and K-12 tuition expenses.
- CollegeChoice CD offers **FDIC-insured**<sup>1</sup> 529 Certificates of Deposit (CDs) options and a high-yield savings account.
- The account owner maintains control of all assets and determines how they are used.
- Available to residents of Indiana **and nationwide.**
- High contribution limits, with the current maximum contribution limit set at \$450,000.

## Make the Safe Choice

Our **FDIC-insured** 529 CDs offer a more conservative option to investing for education. This can be especially helpful for:

- Conservative savers,
- Savers of middle and high school students,
- Adult learners,
- Advanced degree candidates, or
- Diversifying your 529 portfolio.

◀ **Being prepared is critical to success. You save because you know how important an education is today... and will be tomorrow.**



# Planning is essential. Products for a variety of savers.

CollegeChoice CD investments are **FDIC-insured** and built for families saving with safety and asset availability in mind.

PRODUCT FEATURE	Fixed Rate CD	CollegeSure CD® Honors Savings Account
<b>GOOD WHEN:</b>	You want a dependable investment option. Your rate of return is determined when the CD is opened, so you will be able to calculate the exact value at maturity.	You want a high-yield savings account and your assets to remain liquid. Returns offered at a competitive variable rate.
<b>TERM:</b>	1-, 2- and 3-Year Maturities	NONE
<b>BENEFITS:</b>	Predictable rate of return; entitled to federal, estate, gifting and, if applicable, state tax benefits.	Assets remain liquid; entitled to federal, estate, gifting and, if applicable, state tax benefits.
<b>ONLINE ACCOUNT ACCESS:</b>	YES	YES
<b>EARLY WITHDRAWAL PENALTY:</b>	YES	NO
<b>FEES:</b>	No fees are charged by CollegeChoice CD	No fees are charged by CollegeChoice CD

See corresponding Product Terms and Conditions contained in the Disclosure Statement for more detailed information.

## CollegeChoice CD Tax Benefits

When you save for your loved one's education with CollegeChoice CD, you can enjoy great tax advantages.

- Earnings grow federal and Indiana state tax-free. Distributions to pay qualified education expenses are also federal and Indiana state tax-free.<sup>2</sup>
- Special tax credits are available to Indiana taxpayers. Contributions to a CollegeChoice CD account are eligible for a state income tax credit of 20%, up to \$1,000 credit per year. The maximum annual credit allowed for a married taxpayer filing separately is \$500.<sup>3</sup>
- You can also benefit through tax-free gifting. For federal and estate tax purposes, gifting up to the annual exclusion amount of \$15,000 or \$30,000 for married couples is allowed. Also, accelerated gifting—five times the annual gift tax exclusion—per beneficiary in a single year, can help reduce your taxable estate.<sup>4</sup>



# Answers to Frequently Asked Questions

Now more than ever it is important to be prepared for future education costs.

## What is a 529 plan?

Named after Section 529 of the Internal Revenue Code, 529 plans are designed to help families save towards education expenses—college and other post-secondary training, including, apprenticeship programs registered and certified with the Secretary of Labor under the National Apprenticeship Act. These plans are offered by a state or educational institution, with tax advantages and potentially other incentives for a beneficiary.

## What is CollegeChoice CD?

CollegeChoice CD is a 529 plan offered by the Indiana Education Savings Authority, managed by College Savings Bank, a Division of NexBank SSB (CSB) and offered nationwide. CollegeChoice CD is designed to help individuals and families save for education in a tax-advantaged way and offers valuable advantages including tax-deferred growth, generous contribution limits, and a variety of attractive **FDIC-insured** products from CSB. In addition, there are no income limits to open an account or age limits for beneficiaries.

## Who is College Savings Bank, a Division of NexBank SSB?

College Savings Bank, a Division of NexBank SSB is a member of the FDIC, which means deposits are insured by the Bank Insurance Fund of the FDIC for up to \$250,000 for accounts held in the same right and capacity.

Visit [www.collegesavings.com](http://www.collegesavings.com) to learn more.

## How much do I need to open an account?

The minimum initial contribution for an account is \$250. If you do not intend to contribute \$250 to your account at the time of enrollment, you may contribute as little as \$25 per month using an ACH Plan or \$25 per pay period using payroll deduction (if your employer offers this service). For additional information see the Disclosure Statement, or call us at **1.888.913.2885**.

## What are the fees associated with CollegeChoice CD?

None. There are no enrollment, service, maintenance, program management, or asset-based fees.

## Does my child have to attend college in Indiana?

No. You can use the assets in your account toward the costs of nearly any public or private, 2-year or 4-year college in the U.S. or abroad. Your account can also be used for nearly any accredited graduate school, medical school, or law school, among others, nationwide.

## Must I select a college now?

No. You don't need to select a college to open and maintain your account.

## Can anyone contribute to the account?

Yes. You do not need to be an account owner to contribute. Family and friends can make contributions to an existing account by visiting [www.collegechoicecd.com](http://www.collegechoicecd.com).

## What if my child receives a scholarship?

If your child receives a scholarship, you have several options to choose from:

- Use your account to pay for eligible expenses not covered by the scholarship;
- Transfer your account to another member of the beneficiary's family;
- Keep any unused funds in your account to pay for future college expenses, including graduate school; or
- Withdraw any unused funds up to the amount of the scholarship or grant without penalty, although income taxes on earnings may apply.

## What if my child does not attend college?

If your child chooses not to attend college you could transfer the account to another member of the beneficiary's family; or take a non-qualified withdrawal from your account.<sup>2</sup>

## Will CollegeChoice CD affect Financial Aid?

Participation in CollegeChoice CD does not limit your ability to apply for financial aid or a student's receipt of merit-based financial aid, including academic or athletic scholarships. Like most investments, however, it may affect your ability to receive need-based financial aid, although the federal financial aid formula currently counts—at most—only 5.64% of your non-retirement assets to be used for college expenses each year.

## Is my money safe?

Yes. Principal and interest are backed by the full faith and credit of the FDIC up to \$250,000 per account owner.

## Can I obtain more than \$250,000 of FDIC insurance coverage?

Yes. You can obtain more than \$250,000 with properly structured multiple accounts.

For example, a child with two parents can obtain up to \$500,000 in FDIC insurance with properly structured multiple accounts. Note: The current maximum contribution limit for CollegeChoice CD is set at \$450,000 per child.

For additional information see the Disclosure Statement or call us at **1.888.913.2885**.

For more information about the CollegeChoice CD 529 Savings Plan (CollegeChoice CD), call 1.888.913.2885 or visit [www.collegechoicecd.com](http://www.collegechoicecd.com). Read and consider the Disclosure Statement carefully before you invest or send any money.

If you are not an Indiana taxpayer, consider before investing whether your or the beneficiary's home state offers any state tax or other benefits that are only available for investments in that state's qualified tuition program. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision. In addition, you should periodically assess, and if appropriate, adjust your 529 plan investment choices with your time horizon, risk tolerance, and investment objectives in mind.

CollegeChoice CD is administered by the Indiana Education Savings Authority. College Savings Bank (CSB) serves as the Program Manager and provides record keeping and administrative services. CSB has overall responsibility for the day-to-day operations, including marketing and distribution of CollegeChoice CD.

CollegeChoice CD is not insured by the State of Indiana. Neither the principal invested nor the investment return is guaranteed by the State of Indiana.

# CollegeChoice CD

529 SAVINGS PLAN

## Contact

### CollegeChoice CD 529 Savings Plan

College Savings Bank, a Division of NexBank SSB  
2515 McKinney Ave, Suite 1700  
Dallas, TX 75201

### Client Service

1.888.913.2885  
9 a.m. to 6 p.m. Eastern Time  
[questions@collegechoicecd.com](mailto:questions@collegechoicecd.com)

[www.collegechoicecd.com](http://www.collegechoicecd.com)

1. The Federal Deposit Insurance Corporation (FDIC) generally insures, with respect to each FDIC-insured institution, deposit accounts that are held in the same right and capacity up to the maximum amount set by federal law, currently \$250,000. An account owner's interest in the insurable balance of a CollegeChoice CD account is insured by the FDIC on a pass-through basis to each account owner up to the maximum amount. Under applicable FDIC regulations, accounts that have the same owner will be deemed to be held in the same right and capacity and will be combined for purposes of the \$250,000 limitation. Interest that accrues on a Fixed Rate CD or CollegeSure CD is also covered by FDIC deposit insurance, subject to these same limitations.
2. Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements. See the Disclosure Statement for more details.
3. The credit may be subject to recapture from the account owner (not the contributor) in certain circumstances, such as a federal non-qualified withdrawal, a rollover to another state's qualified tuition program, withdrawals used to pay elementary or secondary school tuition at a school outside of Indiana, or withdrawals to make certain education loan repayments (effective January 1, 2020). Please consult your tax advisor about your particular situation. See the Disclosure Statement for more details.
4. Accelerated gifting does not incur any federal gift tax consequences, provided the contributor does not make any additional gifts to the same beneficiary over the five-year period, including the year the gift was made. Also, under the 'add-back' rule, if the contributor elects to treat the gifts as having been made over a five-year period and dies before the end of the five-year period, the portion of the contribution allocable to the years after death will be included in the contributor's gross estate for federal estate tax purposes.

The Indiana Education Savings Authority, NexBank, SSB and their respective affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, and accounting advice. You should consult your own tax, legal, and accounting advisors before engaging in any transaction.

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