Common Myths

IF YOU'RE CONFUSED ABOUT 529 PLANS, YOU'RE NOT ALONE.
HERE ARE SOME COMMON MYTHS —AND THE TRUTHS BEHIND THEM.

Path2College is only for Georgia in-state schools.

False. Funds can be used to send your children, grandchildren, other loved ones, or even yourself to any accredited public or private U.S. college or university—or two-year technical or vocational institution—as well as qualifying international institutions. In addition, up to $10,000 annually per student can be withdrawn for tuition expenses at a public, private or religious elementary, middle, or high school.*

There are two types of 529 plans.
529 college savings plans, such as the Path2College 529 Plan, let you open an account to pay for a beneficiary's expenses at any accredited college or university or for K-12 tuition.* The second type is called a "529 Prepaid Plan" and lets an account holder buy future tuition credits for eligible in-state colleges and universities (many of them public) at today's prices. Prepaid plans are less common today, and many states, including Georgia, do not offer a prepaid plan.

I must open a 529 account in the state where I live.

False. You can invest your money in almost any state's 529 plan, the majority of which have no residency requirements. Before investing in a particular plan, you should consider whether the state in which you or your designated beneficiary reside or have taxable income offers any specific benefits. Some states allow you to deduct contributions from your taxable state income, giving you a financial incentive to invest in your home state plan. Georgia offers a generous state tax deduction of $8,000 per beneficiary per year for joint filers, and $4,000 per beneficiary per year for single filers. Limitations apply.*

If I save in a 529 plan, my child will not get financial aid.

False. Money saved in a 529 does not disqualify students for financial aid. Actually, 529 assets are typically treated as belonging to the parent (or grandparent, etc.) and count less in Expected Family Contribution (EFC) calculations than assets held in the child's name. The EFC calculation is used to determine how much the family is expected to contribute to their child's higher education. For additional information, visit fafsa.ed.gov and check with the schools you are considering.

My beneficiary gains control of the money when he or she gets to be college age.

False. The account owner (you) is always in charge. This means you control the funds in any 529 account you open. The beneficiary cannot withdraw money or change investment options.

Path2College 529 Plan
Save for the future. Today.®
Offered by the State of Georgia

TIAA

*To learn more about the Path2College 529 Plan, its investment objectives, tax benefits, risks and costs, please see the Plan Description at path2college529.com. Read it carefully. Georgia taxpayers can reduce their state taxable income by up to $8,000 per beneficiary if married filing jointly ($4,000 filing single) from contributions made into a Path2College 529 Plan. Withdrawals for tuition expenses at a public, private or religious elementary, middle, or high school, and registered apprenticeship programs can be withdrawn free from federal and Georgia income tax. If you are not a Georgia taxpayer, these withdrawals may include recapture of tax deduction, state income tax as well as penalties. You should talk to a qualified professional about how tax provisions affect your circumstances. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss. If the funds aren't used for qualified higher education expenses, a 10% penalty tax on earnings (as well as federal and state income taxes) may apply. Check with your home state to learn if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 plan. Consult your legal or tax professional for tax advice. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter for the Path2College 529 Plan. 2101278