



ST. JOSEPH'S ACADEMY 529 PLAN SAVINGS INFORMATION

Historically, the Missouri 529 Plan (MOST) has allowed people to save for college tax-free, while also receiving a state tax deduction annually for monies invested in the MOST program. Effective December 31, 2017, the new tax laws now allow 529 plans to also be used towards K-12 educational expenses.

A MOST 529 tuition savings plan is an investment account sponsored by the State of Missouri. Up to \$16,000 (\$8,000 for single filers) in contributions are deductible from Missouri taxes every year, and investments in the plan grow tax-free. When you use MOST funds for eligible expenses (tuition, room and board, and other college or vocational school expenses), you pay no taxes on the disbursement.

In January 2018, the MOST 529 program expanded to allow families to save and use funds in their accounts for elementary and secondary tuition expenses, up to \$20,000 per year per student.

THE FOLLOWING ARE SOME Q&A'S PERTAINING TO THESE CHANGES:

How do I make contributions to the 529 plan?

You can make contributions to your 529 plan via check, direct deposit from your payroll, or from your bank account via an ETF. Options are available at: <https://www.missourimost.org/home/forms-to-manage-your-529-account.html>.

What is the annual contribution limit to the 529 plan?

Per *missourimost.org*: "You can contribute up to \$19,000 per year (\$38,000 if married filing jointly) without triggering federal gift tax. You can also contribute a larger lump sum of up to \$95,000 per beneficiary (\$190,000 if you're married filing jointly) and then treat it as though you contributed that amount over a five-year period."

How long does the money need to stay in the 529 plan before it can be used?

Per *missourimost.org*: "Contributions you make by check, recurring contributions, or electronic bank transfer will be available after seven business days."

What are the withdrawal limits per child per year?

\$20,000 per year per child, regardless of whether the child is named as a beneficiary by two or more accounts. For example, grandmother has a 529 account for her granddaughter, and parents have a 529 for the same child, only \$20,000 between the two accounts can be withdrawn per calendar year for that child.

How are funds withdrawn in order to pay SJA tuition?

According to the withdrawal information found here: <http://cdn.unite529.com/jcdn/files/MOD/pdfs/withdrawal.pdf> a check will be sent to either the account holder, the beneficiary, or St. Joseph's Academy. **Checks cannot be made out to FACTS.**

How do I set up my 529 withdrawals in order to make the 11-month SJA payment plan?

You have a number of options to choose from: make the monthly payments as usual to St. Joseph's Academy and periodically reimburse yourself from your 529 plan OR make a monthly withdrawal from your 529 plan, have the check made out to St. Joseph's Academy, and have it sent directly to St. Joseph's Academy.

Can I make tuition payments from a 529 plan AND also from non-529 plan assets?

Yes. Be sure to keep the invoice from FACTS in your records as evidence of the qualified tuition expenses should you ever be audited.