FALL 2023 NEWSLETTER

Bloomwell NEWS

IN THIS ISSUE

SIMPLIFY YOUR COLLEGE SAVINGS

ROLL OVER ADDITIONAL 529 ACCOUNTS BY DECEMBER 31

Have another 529 account in addition to your Bloomwell 529 account? Rolling over funds to your Bloomwell 529 account is a smart way to stay organized and on top of your college savings goals.

To start the process, meet with your tax and financial advisor to:

1. Go over the advantages and disadvantages of rolling over funds.
2. Review any prior deductions received from the accounts you're rolling over.
3. See if any penalties or charges apply to your rollover.[1]

YES, IT'S ALMOST TIME TO PLAN FOR HOLIDAY GIFTS.

If you can believe it, the holiday season is right around the corner. Time flies, doesn't it? As your children begin their wish lists, remember that contributions to a Bloomwell 529 account are a great way to celebrate — and plan for — your loved one's future. Send your friends and family a personalized invitation to contribute to your child's Bloomwell 529 account at Bloomwell529.com/holidays.

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529 EDUCATION SAVINGS

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CAN YOU 529 IT?

QUIZ YOUR KNOWLEDGE OF ELIGIBLE EXPENSES[2]

Your loved one can use 529 funds for more than tuition — but it isn't necessarily a free-for-all. Put your knowledge of eligible expenses to the test and check out the answers below.

1. DORM ROOM DECORATIONS
- ☐ Eligible ☐ Not Eligible

2. TUITION AT A TRADE SCHOOL
- ☐ Eligible ☐ Not Eligible

3. SPORTS EQUIPMENT
- ☐ Eligible ☐ Not Eligible

4. ONLINE TEXTBOOKS
- ☐ Eligible ☐ Not Eligible

Quiz Answers: 1. Not Eligible, 2. Eligible, 3. Not Eligible, 4. Eligible

DON'T MISS OUT ON TAX BENEFITS.

ACCOUNT CONTRIBUTIONS DUE DECEMBER 31, 2023

If you live in a state that offers state tax benefits for investing in a Bloomwell 529 account, make sure your contributions for 2023 are submitted by the end of the year to maximize your tax deduction. December might seem like a long time away, but it's always smart to plan ahead. Next time you meet with your advisor to review your account, keep your tax benefits in mind. Account owners may be able to deduct up to $10,000 (or $5,000 if married, filing separately)[3] — it's a major perk of Bloomwell 529 you won't want to miss out on.

Learn more at Bloomwell529.com/tax-benefits

LITTLE SAVERS ACTIVITY: COUNT YOUR CHANGE

Use this chart to help your loved one count any coins you have lying around. And remember — when you're saving money, every little bit helps!

1¢ PENNIES ▶	
5¢ NICKELS ▶	
10¢ DIMES ▶	
25¢ QUARTERS ▶	

[1]Rollovers from another qualified tuition program are treated as a non-taxable distribution from the distributing qualified tuition program provided (1) it has been more than 12 months since any previous rollover for the beneficiary, or (2) the beneficiary of the account is changed to a Member of the Family of the current beneficiary.

[2]Withdrawals used to pay for qualified higher education expenses are free from federal and Nebraska state income tax. Qualified higher education expenses include tuition, fees, books, supplies, and equipment required for enrollment or attendance; certain room and board expenses incurred by students who are enrolled at least half-time; the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; certain expenses for special needs services needed by a special needs beneficiary; apprenticeship program expenses; and payment of principal or interest on any qualified education loan of the Beneficiary or a sibling of the Beneficiary (up to an aggregate lifetime limit of $10,000 per individual). However, earnings on all other types of withdrawals are generally subject to federal and Nebraska state income taxes, and an additional 10% federal tax. Nebraska law does not treat the following Federal Qualified Higher Education Expenses as Nebraska Qualified Expenses: K–12 Tuition Expenses. If a withdrawal is made for such purposes, although it is a Federal Qualified Withdrawal, it will be treated as a Nebraska Non-Qualified Withdrawal and may result in the recapture of a previously claimed Nebraska state income tax deduction, and the earnings portion will be subject to Nebraska state income tax. Please consult your tax professional about your particular situation.

[3]Account owners may deduct for Nebraska income tax purposes contributions they make to their own account (and any other accounts they own in the Nebraska Educational Savings Plan Trust) up to an overall maximum of $10,000 ($5,000 if married, filing separately). Contributions in excess of $10,000 cannot be carried over to a future year. For a minor owned or UGMA/UTMA 529 account, the minor is considered the account owner for Nebraska state income tax deduction purposes. The minor must file a Nebraska tax return for the year their contributions are made to be eligible for a tax deduction for their own contributions. In the case of a UGMA/UTMA 529 account, contributions by the parent/guardian listed as the Custodian on the UGMA/UTMA Plan account are also eligible for a Nebraska state tax deduction.

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BLOOMWELL 529 EDUCATION SAVINGS

NEBRASKA STATE TREASURER PROGRAM TRUSTEE

UBT Union Bank & Trust. Program Manager