

**Bloomwell 529 Education Savings Plan  
Program Disclosure Statement dated July 23, 2021  
Supplement Number Two dated July 21, 2022**

This Supplement amends the Program Disclosure Statement dated July 23, 2021, as supplemented, (the “Program Disclosure Statement”). You should read this Supplement in conjunction with the Program Disclosure Statement and retain it for future reference.

**Effective July 21, 2022**

As a result of changes in Nebraska law, the definition of “Nebraska Qualified Expenses” is expanded to include Qualified Education Loan Payments. Amounts paid as principal or interest on a qualified education loan of the Beneficiary or a sibling of the Beneficiary (subject to an aggregate lifetime limit of \$10,000 per individual), are treated as Nebraska Qualified Expenses. Accordingly, the following sections of the Program Disclosure Statement are updated as follows:

**SUMMARY OF KEY FEATURES AND REFERENCE GUIDE**

- 1) The **Nebraska State Income Tax Benefits** section (page 8) is revised by replacing the last bullet with the following:
  - Withdrawals for K–12 Tuition Expenses are Nebraska Non-Qualified Withdrawals. Nebraska state tax deductions are subject to recapture if the account owner cancels a Participation Agreement, makes a partial or complete Nebraska Non-Qualified Withdrawal or rolls assets to an out-of-state 529 qualified tuition program or ABLÉ program. The earnings portion of a Nebraska Non-Qualified Withdrawal is also subject to Nebraska state income tax.
- The **Nebraska Qualified Expenses** section (page 11) is replaced in its entirety with the following:
  - Tuition, fees, books, supplies and equipment required for enrollment or attendance of a Beneficiary at an Eligible Educational Institution;
  - Expenses for room and board (with certain limitations) incurred by students who are enrolled at least half-time;
  - Expenses for the purchase of computer or certain peripheral equipment, computer software or Internet access and related services if it is to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution;
  - Expenses for special needs services in the case of a special needs Beneficiary which are incurred in connection with enrollment or attendance at an Eligible Educational Institution;
  - Apprenticeship Program Expenses; and
  - Student loan repayment – amounts paid as principal or interest on a qualified education loan of the Beneficiary or a sibling of the Beneficiary (subject to an aggregate lifetime limit of \$10,000 per individual).

Nebraska Qualified Expenses do not include K–12 Tuition Expenses.

#### **PART 14 – DISTRIBUTIONS FROM AN ACCOUNT**

- 1) On page 57, the first sentence under **Nebraska Non-Qualified Withdrawals** is replaced with the following:

Nebraska law does not treat the following Federal Qualified Higher Education Expenses as Nebraska Qualified Expenses: K–12 Tuition Expenses.

#### **PART 15 – FEDERAL AND STATE TAX CONSIDERATIONS**

- 1) On page 58, the second paragraph under **Federal Non-Qualified Withdrawal and Nebraska Non-Qualified Withdrawal** is deleted in its entirety and replaced with the following:

For Nebraska taxpayers, the amount included in income for federal income tax purposes will also be included in income for Nebraska income tax purposes. If a withdrawal is a Federal Qualified Withdrawal and a Nebraska Non-Qualified Withdrawal (i.e., a withdrawal for K–12 Tuition Expenses), the earnings portion of such withdrawal is includible in the recipient’s income for Nebraska state income tax purposes.

#### **PART 17 – GLOSSARY**

- 1) On page 64, the definition of **Nebraska Qualified Expenses** section is deleted in its entirety and replaced with the following:

**Nebraska Qualified Expenses** means:

- tuition, fees, books, supplies and equipment required for enrollment of, or attendance by, a Beneficiary at an Eligible Educational Institution;
- certain room and board expenses incurred by students who are enrolled at least half-time at an Eligible Educational Institution. The expense for room and board qualifies only to the extent that it isn’t more than the greater of the following two amounts:
  - (i) the allowance for room and board, as determined by the Eligible Educational Institution, that was included in the cost of attendance (for federal financial aid purposes) for a particular academic period and living arrangement of the student;
  - (ii) the actual amount charged if the student is residing in housing owned or operated by the Eligible Educational Institution. You may need to contact the Eligible Educational Institution for qualified room and board costs;
- expenses for special needs services in the case of a special needs Beneficiary that are incurred in connection with enrollment or attendance at an Eligible Educational Institution;
- expenses for the purchase of computer or certain peripheral equipment, computer software or Internet access and related services, if such equipment, software or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution. This does not include expenses for computer software for sports, games or hobbies unless the software is predominately educational in nature;
- Apprenticeship Program Expenses; and
- Student loan repayment – amounts paid as principal or interest on a qualified education loan of the Beneficiary or a sibling of the Beneficiary (subject to an aggregate lifetime limit of \$10,000 per individual).

Nebraska Qualified Expenses do not include K–12 Tuition Expenses.