

Bloomwell 529 Education Savings Plan
Program Disclosure Statement dated July 1, 2024
Supplement Number Four dated July 18, 2025

This Supplement amends the Program Disclosure Statement dated July 1, 2024, as supplemented (the “Program Disclosure Statement”). You should read this Supplement in conjunction with the Program Disclosure Statement and retain it for future reference.

Federal Legislation Expands Use of 529 Plans

On July 4, 2025, the President signed into law the One Big Beautiful Bill Act (“Act”). The Act expands the types of eligible expenses for which assets in 529 plan accounts can be used and extends the ability to roll over funds from qualified tuition program accounts to ABLE Accounts.

Effective July 4, 2025, the following expenses are incorporated into the definition of **Federal Qualified Higher Education Expenses**, however, they are not **Nebraska Qualified Expenses**:

1. **K-12 Additional Expenses.** The following expenses incurred in connection with enrollment or attendance at, or for students enrolled at or attending, an elementary or secondary public, private or religious school:
 - A. Curriculum and curricular materials.
 - B. Books or other instructional materials.
 - C. Online educational materials.
 - D. Tuition for tutoring or educational classes outside of the home, including at a tutoring facility, but only if the tutor or instructor is not related to the student and:
 - i. is licensed as a teacher in any State,
 - ii. has taught at an eligible educational institution, or
 - iii. is a subject matter expert in the relevant subject.
 - E. Fees for a nationally standardized norm-referenced achievement test, an advanced placement examination, or any examinations related to college or university admission.
 - F. Fees for dual enrollment in an institution of higher education.
 - G. Educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.

The list of additional expenses shall apply to distributions made on or after July 4, 2025.

The aggregate amount of distributions from all qualified tuition programs for a Beneficiary in any taxable year shall not exceed \$10,000 for K-12 Tuition and K-12 Additional Expenses, with such limit increasing for Federal tax purposes only to \$20,000 effective January 1, 2026.

2. **Qualified Postsecondary Credentialing Expenses.** The following expenses incurred in connection with postsecondary credentialing:
 - A. tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary in a recognized postsecondary credential program, or any other expense incurred in connection with enrollment in or attendance at a recognized postsecondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under Internal Revenue Code section (e)(3)(A);
 - B. fees for testing if such testing is required to obtain or maintain a recognized postsecondary credential; and
 - C. fees for continuing education if such education is required to maintain a recognized postsecondary credential.

3. **Extension of Rollovers from Qualified Tuition Programs to ABLE Accounts**

The previously enacted December 31, 2025, sunset on the ability to roll over funds from a qualified tuition program to an ABLE account has now been repealed, thereby permanently extending this rollover provision.

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 7) is hereby revised by replacing the last bullet with the following:
 - 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. Withdrawals for K–12 Expenses and Qualified Postsecondary Credentialing Expenses are Nebraska Non-Qualified Withdrawals. Beginning January 1, 2029, K-12 Tuition Expenses will be treated as Nebraska Qualified Expenses up to \$10,000 per beneficiary per taxable year.
- 2) The following additional items are hereby added to the **Federal Qualified Withdrawals** section (page 10):
 - K-12 Additional Expenses; and
 - Qualified Postsecondary Credentialing Expenses
- 3) The **Rollovers and Transfers** section (page 11) is hereby revised by replacing the second bullet with the following:
 - Funds can be rolled over from this Plan to an ABLÉ Account for the same Beneficiary, or another Beneficiary who is a Member of the Family of the current Beneficiary, without being subject to federal tax (subject to the contribution limits for ABLÉ Accounts).

PART 1 – OVERVIEW

- 1) The **Federal income tax benefits** section on page 12 is hereby replaced with the following:

Federal income tax benefits

Investment earnings on your contributions accumulate on a tax-deferred basis while in an account. Federal Qualified Withdrawals are exempt from federal income tax if they are used to pay for the Beneficiary's Federal Qualified Higher Education Expenses. Federal Qualified Withdrawals are also exempt from Nebraska state income tax if such withdrawals are used for Nebraska Qualified Expenses. Currently, Federal Qualified Higher Education Expenses include (i) tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution; (ii) subject to certain limits, the Beneficiary's room and board expenses if enrolled at least half-time; (iii) the purchase of computer or peripheral equipment, computer software or Internet access and related services if they are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution; (iv) 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; (v) K–12 Expenses; (vi) Apprenticeship Program Expenses; (vii) Qualified Education Loan Payments; and (viii) Qualified Postsecondary Credentialing Expenses.

The earnings portion (if any) of a Federal Non-Qualified Withdrawal will be treated as ordinary income to the recipient and may also be subject to an additional 10% federal tax.

PART 14 – DISTRIBUTIONS FROM AN ACCOUNT

- 1) The **Federal Qualified Withdrawal** section on page 67 is hereby replaced with the following:

Federal Qualified Withdrawal

A Federal Qualified Withdrawal is a withdrawal to pay for Federal Qualified Higher Education Expenses. These generally include:

- 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;
- 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;
- K–12 Expenses;
- Apprenticeship Program Expenses;
- Qualified Education Loan Payments; and
- Qualified Postsecondary Credentialing Expenses.

Federal Qualified Withdrawals are generally free from federal income tax and penalties. However, if a Federal Qualified Withdrawal is also a Nebraska Non-Qualified Withdrawal, the withdrawal may be subject to recapture of Nebraska state income tax deductions previously taken, and the earnings portion of the withdrawal may be included in your gross income for Nebraska state income tax purposes.

- 2) The **Nebraska Non-Qualified Withdrawals** section on page 68 is hereby replaced with the following:

Nebraska Non-Qualified Withdrawals

Nebraska law does not treat the following Federal Qualified Higher Education Expenses as Nebraska Qualified Expenses: K-12 Expenses and Qualified Postsecondary Credentialing Expenses. Therefore, 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. Beginning January 1, 2029, K-12 Tuition Expenses up to \$10,000 per beneficiary per taxable year will be treated as Nebraska Qualified Expenses.

- 3) The **Federal Qualified Rollover Distribution** section on page 68 is hereby replaced with the following:

Federal Qualified Rollover Distribution

Federal Qualified Rollover Distribution means a Roth IRA Rollover (that is a direct trustee-to-trustee transfer) or a distribution or transfer from an account that is deposited within 60 days of the distribution or transfer to:

- An out-of-state 529 qualified tuition program for the benefit of the Beneficiary, provided the transfer does not occur within 12 months of the date of a previous transfer for the benefit of the Beneficiary;
- An out-of-state 529 qualified tuition program for the benefit of an individual who is a Member of the Family of the Beneficiary; or
- An ABLE Account of the Beneficiary or a Member of the Family of the Beneficiary, subject to the contribution limits for ABLE Accounts.

Transfers between the Plan and another 529 qualified tuition program in the Trust for the same Beneficiary are treated as Investment Option changes, rather than rollovers. Transfers between the Plan and another 529 qualified tuition program in the Trust for a different beneficiary are treated as a change of beneficiaries, rather than rollovers. If you roll over money in your Plan account to any 529 qualified tuition program outside the Trust, the earnings portion of the rollover will be subject to Nebraska state income tax. In addition, the rollover will be subject to recapture of any Nebraska state income tax deduction previously claimed by the account owner.

You may transfer funds in your Plan account to an Enable Savings Plan account (or any ABLE program issued by the State of Nebraska) without adverse tax consequences, provided the transfer is a Federal Qualified Rollover Distribution. However, if you roll over funds in your Plan account to any ABLE program not issued by the State of Nebraska, the earnings portion of the rollover will be subject to Nebraska state income tax. In addition, the rollover will be subject to recapture of any Nebraska state income tax deduction previously claimed by the account owner. Not all ABLE program sponsors may accept rollovers from a 529 qualified tuition program; you should contact your tax advisor for more information.

PART 15 – FEDERAL AND STATE TAX CONSIDERATIONS

- 1) The **Federal Qualified Higher Education Expenses** section on page 69 is hereby replaced with the following:

Federal Qualified Higher Education Expenses

Federal Qualified Higher Education Expenses include: (i) tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution; (ii) subject to certain limits, the Beneficiary's room and board expenses if enrolled at least half-time; (iii) the purchase of computer or peripheral equipment, computer software or Internet access and related services if they are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution; (iv) 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; (v) K-12 Expenses; (vi) Apprenticeship Program Expenses; (vii) Qualified Education Loan Payments; and (viii) Qualified Postsecondary Credentialing Expenses.

- 2) The **Federal Non-Qualified Withdrawal and Nebraska Non-Qualified Withdrawal** section on page 69 is hereby replaced with the following:

Federal Non-Qualified Withdrawal and Nebraska Non-Qualified Withdrawal

A Federal Non-Qualified Withdrawal is always a Nebraska Non-Qualified Withdrawal. If a Federal Non-Qualified Withdrawal is made from an account, the earnings portion is includible in the recipient's income for federal and state income tax purposes.

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 Expenses or Qualified Postsecondary Credentialing Expense), the earnings portion of such withdrawal is includible in the recipient's income for Nebraska state income tax purposes. Beginning January 1, 2029, K-12 Tuition Expenses up to \$10,000 per beneficiary per taxable year will be treated as Nebraska Qualified Expenses.

The earnings portion of a Federal Non-Qualified Withdrawal will be ordinary income to the recipient; no part of such earnings will be treated as capital gain. As of the date of this Program Disclosure Statement, the tax rates on ordinary income are generally greater than the tax rates on capital gain.

PART 17 – GLOSSARY

- 1) The definition of "Federal Qualified Higher Education Expenses" on page 74 is hereby replaced with the following:

Federal Qualified Higher Education Expenses, as defined in Code Section 529, includes:

- 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; or
 - (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;
- K-12 Expenses;
- Apprenticeship Program Expenses;
- Qualified Education Loan Payments; and
- Qualified Postsecondary Credentialing Expenses.

- 2) The definition of "Federal Qualified Rollover Distribution" on page 74 is hereby replaced with the following:

Federal Qualified Rollover Distribution means a Roth IRA Rollover (that is a direct trustee-to-trustee transfer) or a distribution or transfer from an account that is deposited within 60 days of the distribution or transfer to:

- An out-of-state 529 qualified tuition program for the benefit of the Beneficiary, provided the transfer does not occur within 12 months of the date of a previous transfer for the benefit of the Beneficiary.
- An out-of-state 529 qualified tuition program for the benefit of an individual who is a Member of the Family of the Beneficiary; or
- An ABLE Account of the Beneficiary or a Member of the Family of the Beneficiary, subject to the contribution limits for ABLE Accounts.

- 3) The definition of “K-12 Tuition Expenses” on page 75 is hereby replaced with the following:

K-12 Expenses means:

- 1) **K-12 Tuition Expenses** means expenses incurred after 2017 for tuition in connection with enrollment or attendance at an elementary or secondary school, whether public, private or religious, up to \$10,000 per year from all 529 qualified tuition programs (\$10,000 is a combined limit for all K-12 Expenses in this section):
- 2) **K-12 Additional Expenses** means distributions made on or after July 4, 2025 for the following expenses in connection with enrollment or attendance at, or for students enrolled at or attending, an elementary or secondary public, private or religious school, up to \$10,000 per year from all 529 qualified tuition programs (\$10,000 is a combined limit for all K-12 Expenses in this section):
 - a. Curriculum and curricular materials.
 - b. Books or other instructional materials.
 - c. Online educational materials.
 - d. Tuition for tutoring or educational classes outside of the home, including at a tutoring facility, but only if the tutor or instructor is not related to the student and—
 - i. is licensed as a teacher in any State,
 - ii. has taught at an eligible educational institution, or
 - iii. is a subject matter expert in the relevant subject.
 - e. Fees for a nationally standardized norm-referenced achievement test, an advanced placement examination, or any examinations related to college or university admission.
 - f. Fees for dual enrollment in an institution of higher education.
 - g. Educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.

The aggregate amount of distributions from all qualified tuition programs for a Beneficiary in any taxable year shall not exceed \$10,000 for K-12 Tuition and K-12 Additional Expenses described in this section, with the Federal limit increasing to \$20,000 effective January 1, 2026. Nebraska taxpayers: beginning January 1, 2029, K-12 Tuition Expenses up to \$10,000 per beneficiary per taxable year will be treated as Nebraska Qualified Expenses.

- 4) The definition of “Nebraska Qualified Expenses” on page 75 is hereby 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
- Qualified Education Loan Payments.

Nebraska Qualified Expenses do not include K–12 Expenses or Qualified Postsecondary Credentialing Expenses. Beginning January 1, 2029, K-12 Tuition Expenses up to \$10,000 per beneficiary per taxable year will be treated as Nebraska Qualified Expenses.

- 5) The following new defined term “Qualified Postsecondary Credentialing Expenses” is hereby added to page 75, with the following definition:

Qualified Postsecondary Credentialing Expenses means:

- tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary in a recognized postsecondary credential program, or any other expense incurred in connection with enrollment in or attendance at a recognized postsecondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under Internal Revenue Code section 529(e)(3)(A) (i.e. those expenses eligible at other higher education institutions),
- fees for testing if such testing is required to obtain or maintain a recognized postsecondary credential, and
- fees for continuing education if such education is required to maintain a recognized postsecondary credential.

Recognized postsecondary credential program means any program to obtain a recognized postsecondary credential if—

- such program is included on a State list prepared under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)),
- such program is listed in the public directory of the Web Enabled Approval Management System (WEAMS) of the Veterans Benefits Administration, or successor directory such program,
- an examination (developed or administered by an organization widely recognized as providing reputable credentials in the occupation) is required to obtain or maintain such credential and such organization recognizes such program as providing training or education which prepares individuals to take such examination, or
- such program is identified by the Secretary, after consultation with the Secretary of Labor, as being a reputable program for obtaining a recognized postsecondary credential for purposes of this subparagraph.

Recognized postsecondary credential means:

- any postsecondary employment credential that is industry recognized and is—
 - any postsecondary employment credential issued by a program that is accredited by the Institute for Credentialing Excellence, the National Commission on Certifying Agencies, or the American National Standards Institute,
 - any postsecondary employment credential that is included in the Credentialing Opportunities On-Line (COOL) directory of credentialing programs (or successor directory) maintained by the Department of Defense or by any branch of the Armed Forces, or
 - any postsecondary employment credential identified for purposes of this clause by the Secretary, after consultation with the Secretary of Labor, as being industry recognized,
- any certificate of completion of an apprenticeship that is registered and certified with the Secretary of Labor under the Act of August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.),
- any occupational or professional license issued or recognized by a State or the Federal Government (and any certification that satisfies a condition for obtaining such a license), and
- any recognized postsecondary credential as defined in section 3(52) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(52)), provided through a program included on a State list prepared under section 122(d) of the Workforce Innovation and Opportunity Act.