

Bloomwell

NEWS



IN THIS ISSUE

How to Withdraw
Funds for College

The Market, Economy,
and Your Account

Conduct a College
Savings Check-Up

UPDATE TO NEBRASKA QUALIFIED EXPENSES

When it's time to use your funds for school, withdrawals from your Bloomwell account can be tax-free if the funds are used for qualified education expenses.¹ As a result of changes in Nebraska law, the definition of "Nebraska Qualified Expenses" has been expanded to include Qualified Education Loan Payments.

Effective July 21, 2022, 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. The enclosed Program Disclosure Statement Supplement includes additional details.

IT'S THEIR TIME TO FLY.

HOW TO WITHDRAW FUNDS FOR COLLEGE EXPENSES

If your loved one's getting ready to go to college, the moment you've been saving for is finally here — it's time to put your Bloomwell 529 funds to work. These dollars can be used to pay for qualified educational expenses,¹ and can be paid directly to you, your bank account, your Beneficiary, or the institution they're attending. Remember to plan ahead. We recommend allowing 7–10 days when sending a check to allow for mail time and for the college to process the payment. To request a withdrawal, log in to your online Bloomwell 529 account, contact your investment professional, or download a Withdrawal Request Form and mail your withdrawal request to the listed address.

Visit Bloomwell529.com/Withdrawal to learn more.



BLOOMWELL
529 EDUCATION SAVINGS

THE MARKET, ECONOMY, AND YOUR ACCOUNT.

The markets from 2009 through 2021 were very good for investors. Volatility (the markets' ups and downs) has increased dramatically in 2022. Diversification is important in rocky markets, along with looking long-term.* In good times and in bad, investors should focus on their long-term goals, their risk/return comfort level, and on controlling what is controllable. We can't control the markets and economy, however we can control how much we are saving and the diversification of our investments. Investment professionals suggest focusing on your risk tolerance or comfort level, the long-term, and staying the course.

The S&P 500 Index is a standard measuring stick for the performance of 500 leading publicly traded companies. Through May 31, 2022, the returns help frame the picture of the strong markets we have seen the last 10 and 20 years.

as of May 31, 2022	Average Annual Total Returns			
	1 Year	5 Year	10 Year	20 Years (Jan. 1, 2002 – Dec. 31, 2021)
S&P 500 Index	-0.3%	13.4%	14.4%	9.5%

While the S&P 500 Index is down 19.96% year-to-date (through June 30, 2022), that same measuring stick has provided solid returns over the long-term.

Investors that focus long-term, that stay the course and do not jump in and out of the markets, and that consistently contribute are those that have the potential to be rewarded over the long-term. Remember to focus on the big picture — especially during periods when the markets are unpredictable.

*Diversification does not assure a profit nor guarantee protection against a loss in a declining market.

CONDUCT A COLLEGE SAVINGS CHECK-UP.

REVIEW YOUR PLAN CONTRIBUTIONS

Summer will fly by and another school year will be upon us. This is a great time to make sure you're on track to reach your college savings goals. Remember, every dollar you save today helps set your child up for success. To make the most of your Bloomwell 529 account, here are a few things to consider:

- 1 Set up automatic investing.** Visit Bloomwell529.com/Login to automatically contribute a set amount of funds at a frequency you control.
- 2 Recalculate your savings estimate.** Use our college savings calculator at Bloomwell529.com/Calculate to see how your savings measure up to future college costs.
- 3 Plan for one-time lump sum payments.** Consider making contributions to your plan on your Beneficiary's birthday, holidays, or special events.

An investor should consider the investment objectives, risks, and charges and expenses associated with municipal fund securities before investing. This and other important information is contained in the fund prospectuses and the Bloomwell 529 Education Savings Plan Program Disclosure Statement (issuer's official statement), which can be obtained at Bloomwell529.com and should be read carefully before investing. You can lose money by investing in an Investment Option. Each of the Investment Options involves investment risks, which are described in the Program Disclosure Statement.

An investor should consider, before investing, whether the investor's or beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan. Investors should consult their tax advisor, attorney, and/or other advisor regarding their specific legal, investment, or tax situation.

The Bloomwell 529 Education Savings Plan (the "Plan") is sponsored by the State of Nebraska, administered by the Nebraska State Treasurer, and the Nebraska Investment Council provides investment oversight. Union Bank and Trust Company serves as Program Manager for the Plan. The Plan offers a series of Investment Options within the Nebraska Educational Savings Plan Trust (the "Trust"), which offers other investment options not affiliated with the Plan. The Plan is intended to operate as a qualified tuition program.

Neither the principal contributed to an account, nor earnings thereon, are guaranteed or insured by the State of Nebraska, the Nebraska State Treasurer, the Nebraska Investment Council, the Trust, the Plan, any other state, any agency or instrumentality thereof, Union Bank and Trust Company, the FDIC, or any other entity. Investment returns are not guaranteed. Account owners in the Plan assume all investment risk, including the potential loss of principal.

¹Withdrawals 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.

Not FDIC Insured / No Bank Guarantee / May Lose Value

PO Box 85529 • Lincoln, NE 68501-5529 • Bloomwell529.com

