



WEALTH MANAGEMENT

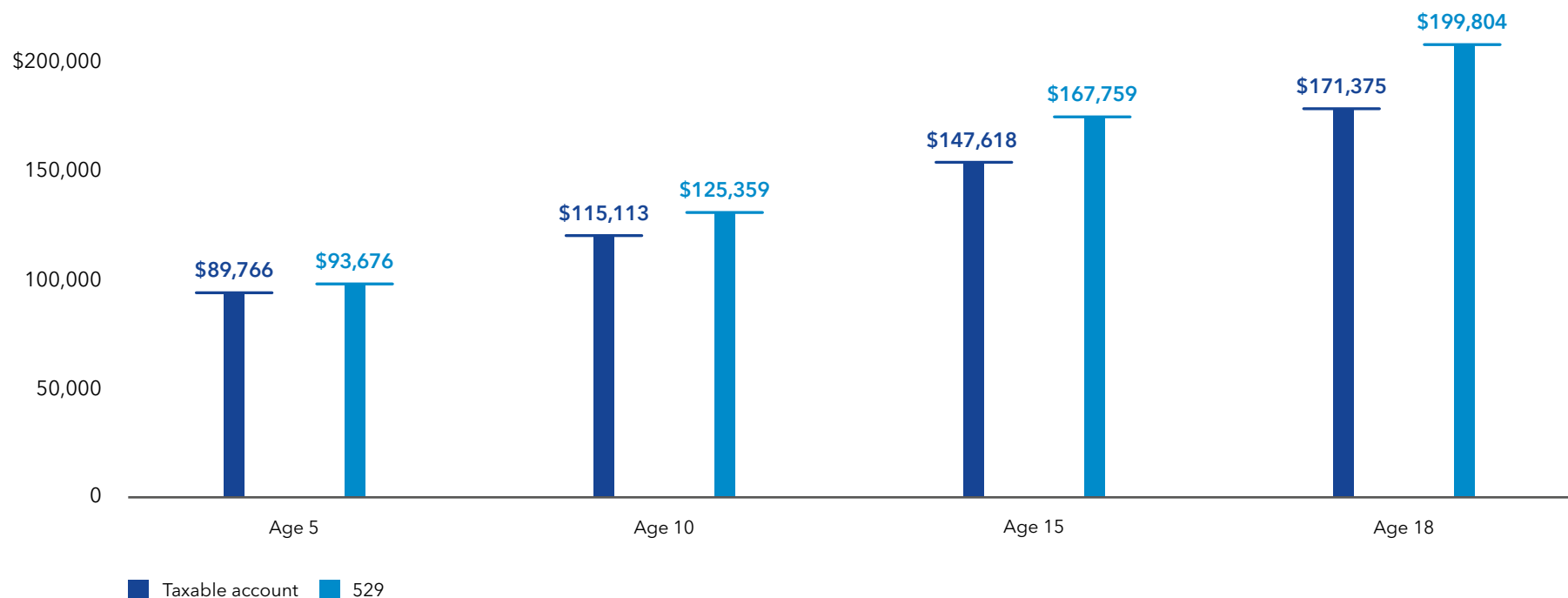
College saving solutions

Tax-free savings growth

Saving for college in a 529 plan allows your savings to grow faster and go farther while offering tax-deferred growth and tax-free withdrawals for qualified expenses.

529 savings grow faster

Account values of \$70,000 invested when child is born



Sources: BlackRock; Internal Revenue Service. This is for illustrative purposes only and not indicative of any investment. BlackRock does not provide tax advice. Investors should speak to their tax professional for specific information regarding their tax situation. Final values for each period are based on a hypothetical one-time \$70,000 investment in stocks when the child is born in both a taxable account and a 529 account. Examples assume an investor in the 28% bracket, a hypothetical 6% annual total return (4.5% price return and 1.5% income return) and a 15% tax rate on capital gains and dividends. Examples assume reinvestment of distributions and no withdrawals. Taxes are assessed yearly on the taxable account.

Comparing account types

Points to consider when charting your education savings course

	529 Savings plan	Coverdell ESA	UGMA/UTMA
Funds may be used for	Eligible college expenses	Eligible K-12 and college expenses	Funds may be withdrawn at any time for any purpose
Contribution limit	<ul style="list-style-type: none"> Depends on state/plan; usually quite high Gift tax consequences for exceeding \$14,000 per contributor per year or \$70,000 per contributor for a five-year contribution made in a single year* 	<ul style="list-style-type: none"> \$2,000 per student per year Beneficiary must be under age 18 at the time of contribution unless he/she has special needs 	<ul style="list-style-type: none"> No limit Gift tax consequences for exceeding \$14,000 per contributor per year
Income limit	No income limitations; anyone can invest	\$110,000 for single filers; \$220,000 for joint filers	No income limitations; anyone can invest
Federal tax treatment	Withdrawals are tax-free if used for qualified expenses	Withdrawals are tax-free if used for qualified expenses	Withdrawals are taxable, usually at the child's tax rate
Investment options	Professionally managed portfolios; generally age- or risk-adjusted	Self-directed and flexible; account holder builds portfolio	Self-directed and flexible; account holder builds portfolio
Control of assets	Control remains with account holder/contributor†	Control usually remains with account holder/contributor	Control transfers to beneficiary at legal age of majority
Transferability/change of beneficiary‡	Account assets may be transferred to another eligible family member of any age	Account assets may be transferred to another eligible family member under age 30	Account assets cannot be transferred to another beneficiary
Age by which funds must be used/transferred	No age limit	By age 30	By age of majority
Impact on "needs-based" financial aid	Funds are considered the account holder's when applying for financial aid	Funds are considered the account holder's when applying for financial aid	Funds are considered the child's when applying for financial aid
Penalties	Unused money must be transferred to another beneficiary for college expenses or is subject to taxes and penalties if withdrawn for other purposes	Unused money must be transferred to another beneficiary for eligible expenses (or can be rolled into a 529 plan) or is subject to taxes and penalties if withdrawn for other purposes	No penalties if not used for college expenses; unused funds are distributed to child at age of majority

* Under a special rule, contributions of \$70,000 (\$140,000 for married, filing jointly) can be made in one year and prorated over a five-year period without incurring gift taxes or reducing your unified estate and gift tax credit. If the contributor dies before the five-year prorating period expires, the contributions allocated to the remaining years move back into the contributor's taxable estate. Any appreciation on the entire original gift is not considered part of the estate. † If the 529 is held as a custodial account, such as when an UTMA is rolled into a 529, the control converts to the child at the age of majority. ‡ Please see the Program Description for more details regarding changing beneficiaries or transferring assets.

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