CORIENT

INTERNAL MEMO ONLY

529 Recommendations & Summary

2025 Update

Overall, the best practice is to use the state plan if there is a tax benefit to do so. If the state does not have a tax benefit the recommendation is one of the five plans below with Utah being our preferred.

RANK	PLAN NAME	STATE
1	Alaska T.Rowe Price College Savings Plan	Alaska
2	Pennsylvania 529 College Investment Plan	Pennsylvania
3	Utah Educational Savings Plan	Utah
4	Bright Start Direct Sold College Savings Program	Illinois
5	U.Fund College Investing Plan	Massachusetts

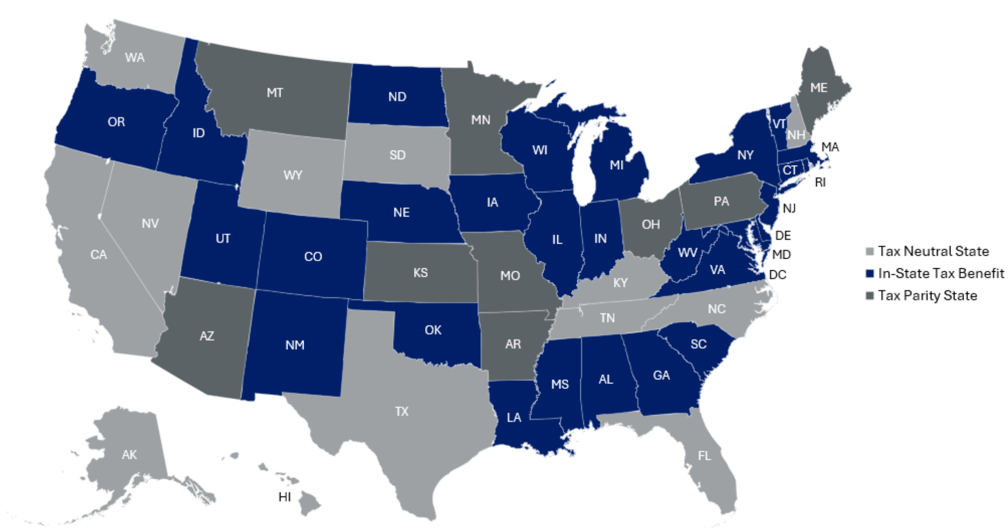
The top 5 were determined based on aggregating ratings from leading 529 raters Morningstar and Saving for College. Both develop their ratings based on a combination of the following factors:

- A well-researched asset-allocation approach.
- A robust process for selecting and monitoring underlying investments.
- A well-resourced and experienced investment team.
- Stable and engaged oversight from the state.
- Low fees.

Investment Recommendation

Typically the age-based index option is the best practice to limit cost and ensure the portfolio allocation and risk aligns with time horizon.

Tax Deduction by State



STATE	TAX PARITY[1]	TAX RATE[2]	STATE TAX DEDUCTION LIMIT	STATE TAX DEDUCTION BASIS
Alabama	-	5.00%	$10,000	Per Taxpayer
Arizona	Yes	2.50%	$4,000	Per Beneficiary
Arkansas	Yes	4.40%	$10,000	Per Taxpayer
Colorado	-	4.40%	$34,000	Per Beneficiary
Connecticut	-	4.40%	$10,000	Per Taxpayer
Delaware	-	4.50%	$2,000	Per Taxpayer
Georgia	-	6.60%	$8,000	Per Beneficiary
Idaho	-	5.49%	$12,000	Per Taxpayer
Illinois	-	5.80%	$20,000	Per Taxpayer
Iowa	-	4.95%	$5,500	Per Beneficiary
Kansas	Yes	5.70%	$6,000	Per Beneficiary
Louisiana	-	3.50%	$4,800	Per Beneficiary
Maine	Yes	6.75%	$1,000	Per Beneficiary
Maryland	-	4.75%	$5,000	Per Beneficiary
Massachusetts	-	5.00%	$2,000	Per Taxpayer
Michigan	-	4.25%	$10,000	Per Taxpayer
Minesota	Yes	6.80%	$3,000	Per Taxpayer
Mississippi	-	4.70%	$20,000	Per Taxpayer
Missouri	Yes	4.80%	$16,000	Per Taxpayer
Montana	Yes	5.90%	$6,000	Per Taxpayer
Nebraska	-	5.84%	$10,000	Per Taxpayer
New Jersey	-	5.53%	$10,000	Per Taxpayer
New Mexico	-	4.90%	No limit	-
New York	-	5.50%	$10,000	Per Taxpayer
North Dakota	-	1.95%	$10,000	Per Taxpayer
Ohio	Yes	3.50%	$4,000	Per Beneficiary
Oklahoma	-	4.75%	$20,000	Per Taxpayer
Pennsylvania	Yes	3.07%	$36,000	Per Beneficiary
Rhode Island	-	4.75%	$1,000	Per Taxpayer
South Carolina	-	6.40%	No limit	-
Virginia	-	5.75%	$4,000**	Per Account
Washington, D.C.	-	8.50%	$8,000	Per Taxpayer
West Virginia	-	5.12%	No limit	-
Wisconsin	-	5.30%	$5,000	Per Beneficiary

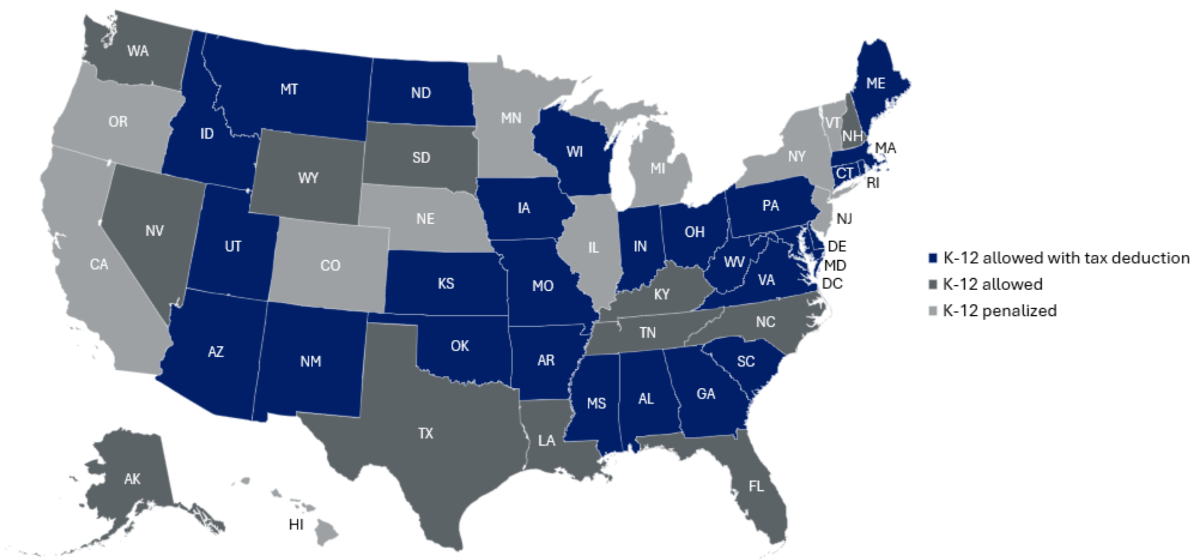
[1]Nine states—Arizona, Arkansas, Kansas, Maine, Minnesota, Missouri, Montana, Ohio, and Pennsylvania—offer tax parity, which means that investors can deduct their taxable income on contributions made to any plan in the US (most states allow you to take a deduction only if you invest in the state-sponsored plan). [2]Assumes a joint filer with adjusted gross income of $100,000. 2024 Tax Rates: This information is for educational purposes only, and is not intended to provide, and should not be relied on for tax, legal or accounting advice. Please consult your own tax, legal and accounting advisors to discuss your unique tax circumstances; Source: Morningstar.com (https://www.morningstar.com/personal-finance/how-do-your-states-529-tax-benefits-stack-up#bonus-529-state-tax-parity). As of 11-2024

K-12 Expense Deductibility

529 qualified expenses were expanded to include K-12 expenses; however, not actually the plan that allows for state income tax deduction, it's the state law where the resident lives (both generally and for K-12 expense deductibility)

Other notes:

- 529 withdrawals for K-12 expenses are federally tax free, but vary in taxability on a state-by-state basis based on residency
- Only earnings will be taxed in these cases, prorated taxes just like IRA conversions
- Guidance below by state. Recommend checking state specific rules for limitations.



K-12 EXPENSES ALLOWED	NOT ALLOW K-12 WITHDRAWALS	ALLOW BUT INCOME TEST
Alabama	California	New Jersey (Under $200k)
Alaska	Colorado	
Arizona	Hawaii	
Arkansas	Illinois	
Connecticut	Michigan	
Delaware	Minnesota	
District of Columbia	Nebraska	
Florida	New Mexico	
Georgia	New York	
Iowa	Oregon	
Idaho	Vermont	
Indiana		
Louisiana		
Kansas		
Kentucky		
Maine		
Maryland		
Massachusetts		
Mississippi		
Missouri		
Montana		
Nevada		
New Hampshire		
North Carolina		
North Dakota		
Ohio		
Oklahoma		
Pennsylvania		
Rhode Island		
South Carolin		
South Dakota		
Tennessee		
Texas		
Utah		
Virginia		
Washington		
West Virginia		
Wisconsin		
Wyoming		

Source: Vanguard. https://corporate.vanguard.com/content/dam/corp/research/pdf/its_elementary_using_529s_to_pay_for_k_12_education.pdf

529 Plan Rankings

RANK	PLAN NAME	STATE
1	Alaska T.Rowe Price College Savings Plan	Alaska
2	Pennsylvania 529 College Investment Plan	Pennsylvania
3	Utah Educational Savings Plan	Utah
4	Bright Start Direct Sold College Savings Program	Illinois
5	U.Fund College Investing Plan	Massachusetts
6	ScholarShare College Savings Plan	California
7	Path2College 529 Plan	Georgia
8	Maryland 529	Maryland
9	Fidelity Arizona College Savings Program	Arizona
10	Connecticut Higher Education Trust	Connecticut
11	Delaware College Investment Plan	Delaware
12	Michigan Education Savings Program	Michigan
13	Minnesota College Savings Plan	Minnesota
14	CollegeAmerica	Virginia
15	NextGen - Client Diect Series	Maine
16	The UNIQUE College Investing Plan	New Hampshire
17	NY's 529 College Savings Program	New York
18	CollegeAdvantage Ohio's 529 Savings Program	Ohio
19	Alabama CollegeCounts 529 Fund	Alabama
20	CollegeInvest	Colorado
21	Florida 529 Savings Plan	Florida
22	Idaho College Savings Program	Idaho
23	CollegeChoice 529 Direct Savings Plan	Indiana
24	College Savings Iowa 529 Plan	Iowa
25	Missouri's 529 College Savings Plan	Missouri
26	The Vanguard 529 College Savings Plan	Nevada
27	USAA 529 College Savings Plan	Nevada
28	The Education Plan	New Mexico
29	Oklahoma 529 College Savings Plan	Oklahoma
30	Invest529	Virginia
31	Future Scholar 529 Savings Plan	South Carolina
32	Edvest Wisconsin	Wisconsin
33	NEST 529 College Savings	Nebraska
34	National College Savings Program	North Carolina
35	DC College Savings Plan	Washington DC
36	Oregon College Savings Plan	Oregon
37	University of Alaska College Savings Plan	Alaska
38	Learning Quest 529 Education Savings Program	Kansas
39	SMART529	West Virginia
40	Arkansas GIFT College Investing Plan	Arkansas
41	Schwab 529 College Savings Plan	Kansas

42	CollegeBound Saver	Rhode Island
43	Bloomwell 529 Education Savings Plan	Nebraska
44	College SAVE (Direct)	North Dakota
45	NJBEST 529 College Savings Plan	New Jersey
46	DreamAhead College Investment Plan	Washington
47	Kentucky Education Savings Plan Trust	Kentucky
48	Achieve Montana	Montana
49	TNStars College Savings 529 Program	Tennessee
50	Start Saving Program	Louisiana
51	College Access 529 Plan - Direct Sold	South Dakota
52	Texas College Savings Program	Texas
53	Mississippi Affordable College Savings Program	Mississippi
54	Vermont Higher Education Plan	Vermont
55	Hawaii's College Savings Program	Hawaii

Source: Morningstar and Saving for College