Nicol Investors Corporation 529 Plan Sales Disclosure Form

What is A 529 Plan? A 529 plan is a college savings plan that allows individuals to save for college on a tax-advantaged basis. Every state offers at least one 529 plan. When you contribute to a 529 plan the money in the plan grows on a federal tax-deferred basis. Funds in the 529 plan can be withdrawn federal tax-free for qualified education expenses at any eligible college, university or graduate school in the U.S. That includes tuition, fees, books, room and board, and even some expenses for special needs students. A 529 plan offers great flexibility and control as well – you, as the Beneficiaries at any time which is helpful when education plans change or are interrupted. And even though, your contributions to the 529 plan are considered a gift and are removed from your federal taxable estate, as the account holder you maintain control and can take back the gift at any time.

Buying Considerations. Before buying a 529 plan, you should find out about the particular plan and its fees and expenses. You should also consider that certain states offer tax benefits and fee savings to in-state residents. Whether a state tax deduction and/or application fee savings are available depends on your state of residence. State tax or other benefits should be one of many factors to be considered prior to making an investment decision. If you purchase a 529 plan through Nicol Investors Corporation, we are compensated from the 529 plan program sponsor in much the same manner as it does when you purchase mutual funds.

By signing below I acknowledge that I have been advised of the following:

All fees, expenses and sales charges for the selected 529 plan have been explained

The federal government now allows tax-free withdrawals of up to $10,000 each year for K-12 private and parochial school tuition. Not all states have adopted the federal governments expanded definition of qualified expenses. If your state offers tax benefits for 529s, you should understand what your state considers “qualified education expenses” before withdrawing money. Some states do not consider K-12 tuition to be a qualified education expense. If this is the case with your state and you take out funds to pay for K-12 education, a withdrawal made for these expenses may be subject to state tax consequences if it is attributable to contributions that were deducted for state tax income tax purposes. State law is subject to change, so it’s important to check the details in your state for the most up to date information along with consulting your tax advisor.

Account holders may transfer up to $18,000 annually, as of January 2024, to an ABLE (Achieving a Better Life Experience) without incurring federal taxes. ABLE accounts are savings plans for individuals with special needs.

Starting in 2024 with the Secure 2.0 Act, account holders can transfer up to a lifetime limit of $35,000 (over the course of 5 years) in unused 529 account funds to a Roth IRA owned by the 529 plan’s designated beneficiary, with a few caveats. The 529 plan must be open for the designated beneficiary for at least 15 years, and any contributions made within the last five years, and the investment earnings associated with them, can’t be rolled over tax free. There are other important provisions that apply that you should consult with your tax advisor.

I have been provided a prospectus for this 529 Plan.

The tax benefits (if any) of purchasing my state-of-residence 529 plan.

If I selected for purchase an out-of-state 529 plan and am aware that I will not receive the tax-advantages of my state-of-residence Plan.

Owner Signature ____ **Date**___________

Representative Signature ____ **Date** ___________

Designated Municipal Principal____ **Date** ___________

March 2024