



Davio Family

Helping Idaho Families Make Postsecondary Education an Affordable Reality!

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Winter 2015

Barriers to Postsecondary Attainment

- Access
- Academic Readiness
- **Affordability**



Identified by the Idaho Office of Performance Evaluations, January 2012

College Costs for a Newborn...

Type of College	Name of College	Cost of Four Years* (beginning in 18 years)
Four-Year Public College (in-state)	Boise State University	\$130,884
Four-Year Public College (out-of-state)	Washington State University	\$286,638
Four-Year Private College (in-state or out-of-state)	College of Idaho Harvard University	\$254,414 \$400,148

Source: Idaho Career Information System: Cost of four years was calculated using tuition, fees, room and board for the following school years (Boise State, College of Idaho, Washington State University-2013-2014, Harvard University-2012-2013) growing at 5% per year for 18 years. This chart is for illustrative purposes only. Actual costs will vary.

Options for Paying for School



College Savings Accounts Work!

50%



OF U.S. FAMILIES ARE SAVING FOR COLLEGE¹

YOUTH WHO HAVE A COLLEGE SAVINGS ACCOUNT ARE 4-7 TIMES MORE LIKELY TO ATTEND COLLEGE²

7x

What is IDeal and How Can It Help?

- IDeal — Idaho's State Sponsored 529 college savings program
 - Idaho Code: Title 33, Chapter 54

Purpose:

- To help individuals and families save for college in a tax-advantaged way.



Idaho State Income Tax Deduction

Up to **\$4,000 annually** for single filers*

Up to **\$8,000 annually** for married couples filing jointly*

Example

Married filing jointly

Contribution: \$8,000

Maximum Idaho state tax rate: 7.4%

$$\mathbf{\$8,000 \times 7.8\% = \$592}$$

Save up to \$592 on your Idaho state income tax

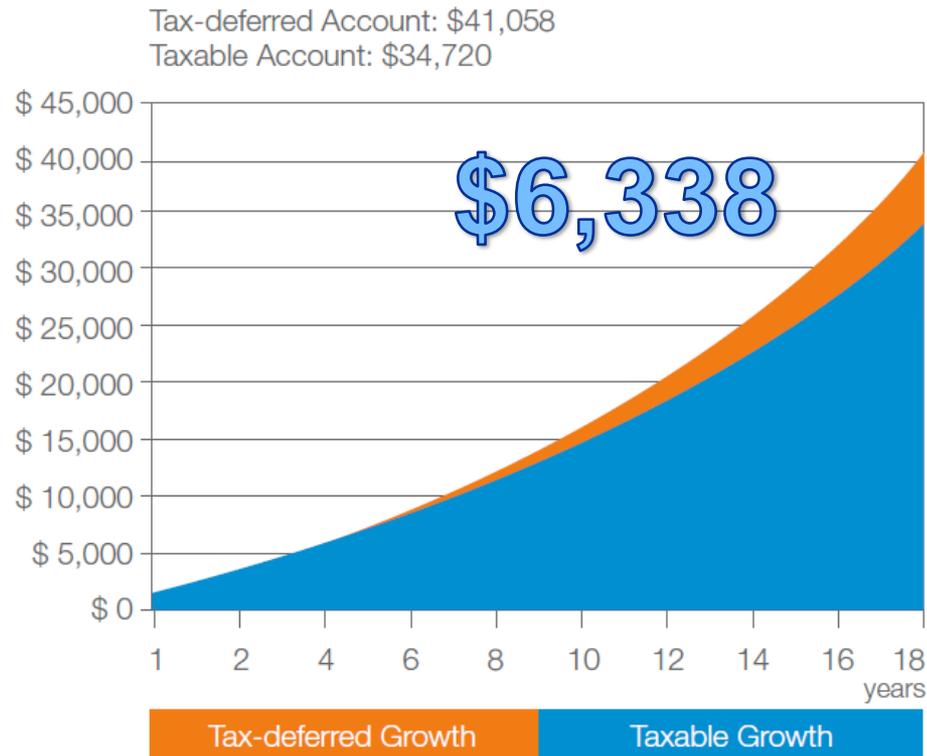
Only IDEal 529 offers Idaho Taxpayers an Idaho State tax deduction!



Tax-deferred Growth

Tax advantages can make your dollars work harder.

Year after year, the unique tax advantages of 529 plans can help your child go further on the path to a college education.⁶



Assumptions: \$2,500 initial investment with subsequent monthly investments of \$100 for a period of 18 years; annual rate of return on investment of 5% and no funds withdrawn during the time period specified; taxpayer is in the 30% federal income tax bracket for all options at the time of contributions. This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or any taxes or penalties payable/due upon distribution.

* Earnings on nonqualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

It's Affordable!

Low minimum contribution amounts

- \$15 for payroll deduction (per paycheck per account)
- \$25 minimum Automatic Investment Plan

Low annual fees

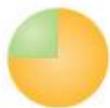
- **0.69%** of invested assets
 - \$6.90 for every thousand invested.
- \$20 annual fee on *non-resident* accounts
 - **BOTH** account holder/beneficiary are non- residents

High maximum account balance

- \$350,000 per beneficiary
- (aggregation of all accounts for the same beneficiary)



Age-based Options

AGE-BASED OPTIONS			
Age of Beneficiary	Conservative	Moderate	Aggressive
5 or younger	Moderate Growth Portfolio  <ul style="list-style-type: none"> 50% Stocks 50% Bonds 	Growth Portfolio  <ul style="list-style-type: none"> 75% Stocks 25% Bonds 	Aggressive Growth Portfolio  <ul style="list-style-type: none"> 100% Stocks
6 through 10	Conservative Growth Portfolio  <ul style="list-style-type: none"> 25% Stocks 75% Bonds 	Moderate Growth Portfolio  <ul style="list-style-type: none"> 50% Stocks 50% Bonds 	Growth Portfolio  <ul style="list-style-type: none"> 75% Stocks 25% Bonds
11 through 15	Income Portfolio  <ul style="list-style-type: none"> 75% Bonds 25% Money Market Securities 	Conservative Growth Portfolio  <ul style="list-style-type: none"> 25% Stocks 75% Bonds 	Moderate Growth Portfolio  <ul style="list-style-type: none"> 50% Stocks 50% Bonds
16 through 18	Income Portfolio  <ul style="list-style-type: none"> 75% Bonds 25% Money Market Securities 	Income Portfolio  <ul style="list-style-type: none"> 75% Bonds 25% Money Market Securities 	Conservative Growth Portfolio  <ul style="list-style-type: none"> 25% Stocks 75% Bonds
19 or older	Money Market Portfolio  <ul style="list-style-type: none"> 100% Money Market Securities 	Income Portfolio  <ul style="list-style-type: none"> 75% Bonds 25% Money Market Securities 	Income Portfolio  <ul style="list-style-type: none"> 75% Bonds 25% Money Market Securities



Fixed-asset Options

FIXED-ASSET ALLOCATION PORTFOLIOS						
Underlying Fund	Aggressive Growth Portfolio	Growth Portfolio	Moderate Growth Portfolio	Conservative Growth Portfolio	Income Portfolio	Money Market Portfolio
Vanguard® Total Stock Market Index Fund	70%	52.5%	35%	17.5%	0%	0%
Vanguard Total International Stock Index Fund	30%	22.5%	15%	7.5%	0%	0%
Stock Subtotal	100%	75%	50%	25%	0%	0%
Vanguard Total Bond Market Index Fund	0%	25%	50%	75%	50%	0%
Vanguard Inflation-Protected Securities Fund	0%	0%	0%	0%	25%	0%
Bond Subtotal	0%	25%	50%	75%	75%	0%
Vanguard Prime Money Market Fund	0%	0%	0%	0%	25%	100%
Short-Term Investment Subtotal	0%	0%	0%	0%	25%	100%
TOTAL	100%	100%	100%	100%	100%	100%

Note: The Income and Money Market Portfolios' investments in the Vanguard Prime Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. Although the Fund seeks to preserve the value of the investment at \$1 per share, it is possible that Portfolios may lose money by investing in the Fund.



Savings Portfolio

- Seeks to provide income consistent with the preservation of principal
- Invests 100% of its assets in the Sallie Mae High-Yield Savings Account



FDIC-Insured up to \$250K

- The Savings Portfolio invests all of its assets in the Sallie Mae High-Yield Savings Account, ("HYSA"). The HYSA is held in an omnibus savings account insured by the Federal Deposit Insurance Corporation ("FDIC"), which is held in trust by the Idaho College Savings Program Board ("Board") at Sallie Mae Bank. **Contributions to and earnings on the investments in the Savings Portfolio are insured by the FDIC on a pass-through basis to each account owner up to \$250,000, the maximum amount set by federal law.** The amount of FDIC insurance provided to an account owner is based on the total of (a) the value of an account owner's investment in the Savings Portfolio; and (b) the value of all other accounts held by the account owner at Sallie Mae Bank, as determined by Sallie Mae Bank and FDIC regulations. Except for the Savings Portfolio, investments in IDEal - Idaho College Savings Program are not insured by the FDIC.

Maximum Flexibility

Control

- Determine beneficiaries
- Change investments
- Make withdrawals

No Income Limits

- Open to anyone (*Not true for other types of accounts*)

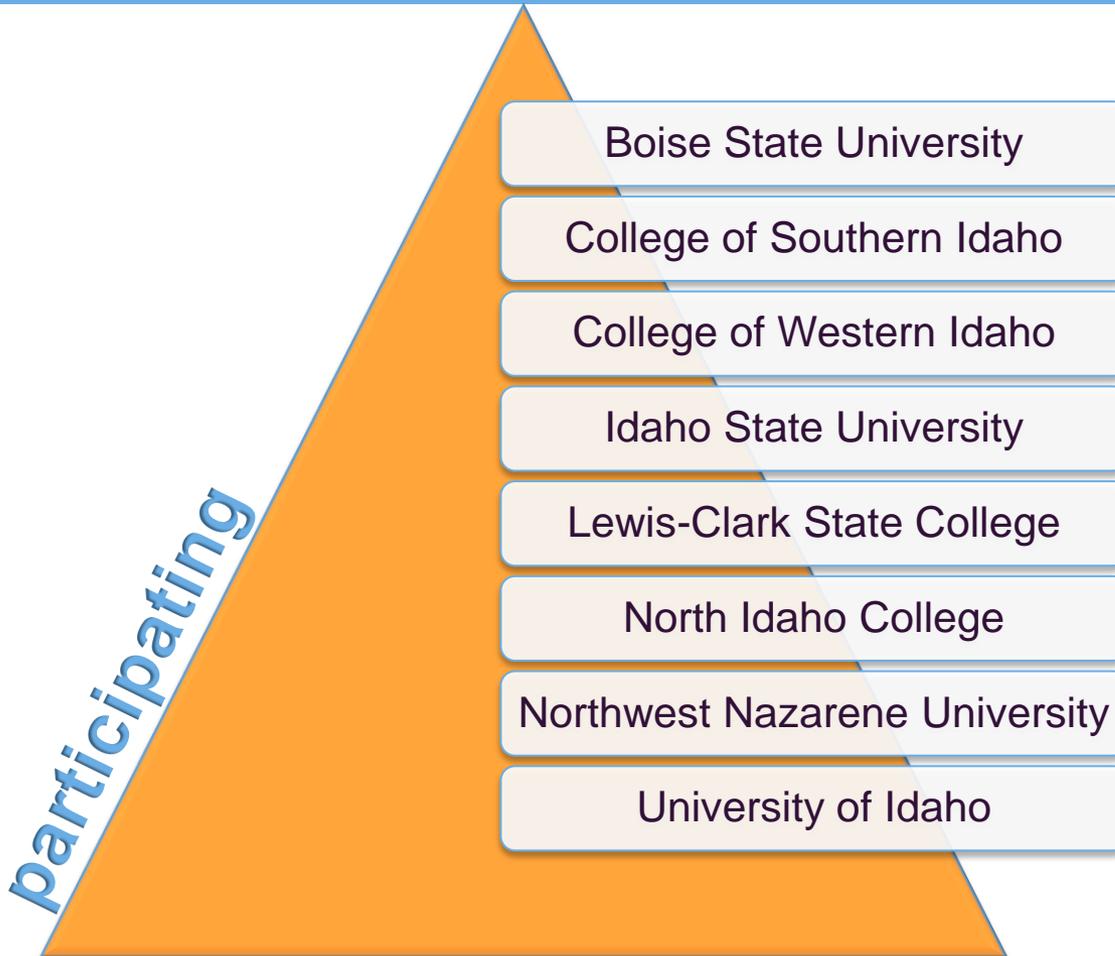
Time

- Keep money in account indefinitely

Schools

- Use at any accredited program within the U.S.

Dual Credits



Left-over Money?



Do nothing

- Earnings will continue to grow tax-deferred

Change the Beneficiary

- The new beneficiary must be a “member of the family” of the current beneficiary

Take a non-qualified withdrawal

- Earnings are subject to account owner’s ordinary income tax rate plus an additional 10% federal penalty tax
 - » 10% tax penalty tax earnings only
- No 10% federal tax penalty upon death, disability, receipt of scholarship by the beneficiary, or attendance at the five military academies

Estate Planning

- Contribute up to \$70,000 in one year of gift taxes per account³



- ³ In the event you do not survive the 5-year period, a pro-rated amount will revert back to your taxable estate.
- Account owners should always consult with their tax advisor regarding gifting.

Ugift® – Give College Savings

- Easy-to-use online gifting program
- Family and friends give the gift of college savings
- Great for
 - » ***Birthdays***
 - » ***Religious milestones***
 - » ***Holidays***
 - » ***Graduations***
 - » ***Any special occasion!***



College Savings Accounts Work!

50%



OF U.S. FAMILIES ARE SAVING FOR COLLEGE¹

YOUTH WHO HAVE A COLLEGE SAVINGS ACCOUNT ARE 4-7 TIMES MORE LIKELY TO ATTEND COLLEGE²

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Who Uses IDeal?

Idaho families of every
size and background!



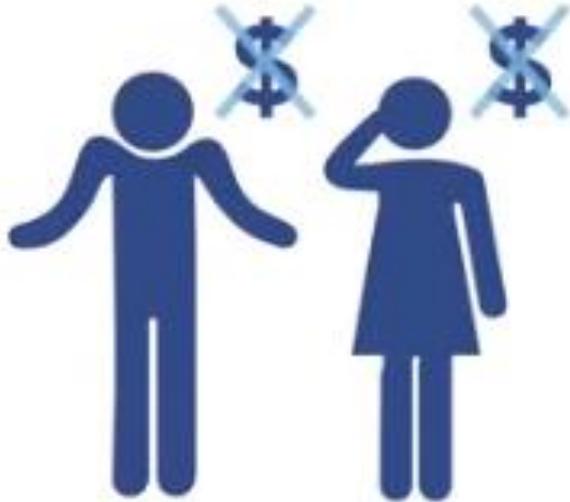
IDEal is for *all* Idaho families



President Obama's proposal to tax 529s

**NO 529
TAX.ORG**

IDEal 529 HELPS Idaho families plan and save for higher education!



76% of people who did not attend college list **"cost"** as a primary reason for not attending.

Relevant Initiatives

- » Reduction of fees
- » Pending federal legislation:
 - Employer tax deductions for matching employee 529 contributions
 - Include making computers an eligible expense
 - Allowing the redeposit of funds without negative tax implications
- » State initiatives and outreach:
 - Education entities
 - Accountants
 - Financial Planners
 - Businesses
 - Community



Innovative Partnerships



PERSPECTIVE
Wealth Partners



CWI & IDeal Partnership

To promote the **college going culture** in Idaho and **increase opportunities** for post-secondary success and achievement.

1. Incentivize families to **save** for college through Idaho's IDeal 529 Program
2. Encourage **community support** for college savings
3. *Qualified* students have possible \$500 **match scholarship** per semester if paying with IDeal 529 account funds



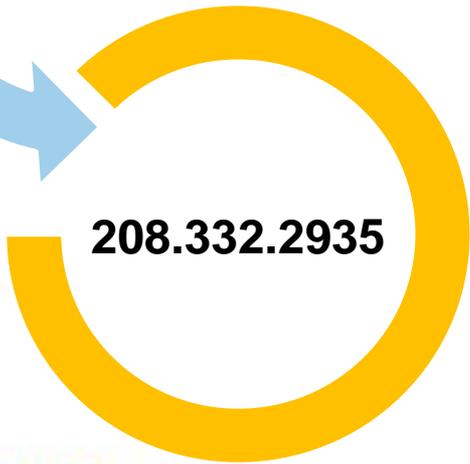
Start Saving Today!



**Christine
Stoll**



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208.332.2935

Important Legal Information



For more information about the Idaho College Savings Program (IDeal), call 866-433-2533 or visit www.idsaves.org to obtain a Disclosure Statement. The Disclosure Statement discusses investment objectives, risks, charges, expenses, and other important information. Because investing in IDeal is an important decision for you and your family, you should read and consider the Disclosure Statement carefully before investing. Ascensus Broker Dealer Services, Inc. (ABD) is Distributor of IDeal.

If you are not an Idaho taxpayer, consider before investing whether your or the beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.

IDeal is administered by the Idaho College Savings Program Board (Board). ABD, the program manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory and recordkeeping and administrative services. The Vanguard Group, Inc. (Vanguard) serves as Investment Manager for IDeal. Sallie Mae Bank serves as the Savings Portfolio Manager for IDeal. IDeal's Portfolios invest in either: (i) mutual funds offered or managed by Vanguard; or (ii) an FDIC-insured omnibus savings account held in trust by the Board at Sallie Mae Bank. Except for the Savings Portfolio, investments in IDeal are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, you could lose all or a portion of your money by investing in IDeal, depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

Not FDIC-Insured (except for the Savings Portfolio).

No Bank, State or Federal Guarantee

May Lose Value