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

**Purpose:**

- Federal law requires 529 programs to be established and maintained by a state or instrumentality thereof.
- [Federal law requires 529 programs to be established and maintained by a state or instrumentality thereof.](https://legislature.idaho.gov/statutesrules/idstat/title33/ch3/33-5301-33-53410)

**Ideal: What is Ideal?**

- Idaho's state-sponsored 529 college savings program
IDeal program FAQs

- Self-sustaining, receives no general fund monies.
- 2.5 staff
- The Idaho College Savings Board is comprised of Idaho’s constitutional officers and or designee.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Representing</th>
<th>Year started</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tim Hill</td>
<td>Deputy Superintendent, Finance</td>
<td>Department of Education</td>
<td>2003</td>
</tr>
<tr>
<td>Brian Kane</td>
<td>Assistant Chief Deputy Attorney General</td>
<td>Attorney General Office</td>
<td>2008</td>
</tr>
<tr>
<td>Betsie Kimbrough</td>
<td>State Election Director</td>
<td>Secretary of State</td>
<td>2016</td>
</tr>
<tr>
<td>Patrick Hodges</td>
<td>Deputy State Controller</td>
<td>State Controller Office</td>
<td>2016</td>
</tr>
<tr>
<td>Edelene Ohman</td>
<td>Director of Investments</td>
<td>Treasury Office: Chair of Board</td>
<td>2016</td>
</tr>
<tr>
<td>David Hahn</td>
<td>Financial Management Analyst Sr.</td>
<td>Governor Appointee: Department of Financial Management</td>
<td>2014</td>
</tr>
</tbody>
</table>
IDeal program FAQs

IDeal Account Performance

- As of February 20, 2017, assets in IDeal totaled $387,930,915
- The total number of beneficiary accounts was 30,830
- Average balance per account of $12,607.
- The plan saw a 14% increase in assets from September 2015 to September 2016.

Gifting:

- In 2016 beneficiaries have received contributions from grandparents, aunts, uncles and others totaling $1,429,040 in gift contributions.
- This was a 69% increase from 2015.
- Since inception, there have been $4,192,973 in Ugift contributions to beneficiary’s accounts.
What IDeal provides

- State income tax deduction
- Tax deferred growth
- Tax free withdrawals for education

- $25 to start account
- Varied investments
- Flexible and affordable

- Gifting
- Employer match accounts
- CWIDeal Boost scholarship

*Earnings on non-qualified 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. Contributions to the IDeal - Idaho College Savings Program are deductible from Idaho state income tax, subject to recapture in certain circumstances, such as a non-qualified withdrawal or a rollover to another state's qualified tuition program in the year of the rollover and the prior tax year.
Idaho State tax deduction

Only Ideal 529 offers Idaho taxpayers an

Current State Income tax deduction

*Filing Jointly* up to $8,000 annually for married couples

*Filing Single* up to $4,000 annually for single filers
Tax-free education withdrawals

Federal and State income tax-free if used for qualified withdrawals to eligible higher education* and related to services to be used by the beneficiary while enrolled.

- Tuition, fees, certain room & board, books, required supplies
- Public & private colleges / universities, 2 & 4 year programs, vocational and foreign schools
- Computers, peripherals, software, internet access**

*Earnings on nonqualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. Tax and other benefits are contingent on meeting other requirements and certain withdrawals are subject to federal, state, and local taxes. **Implementation of PATH Act (HR529/S335) Legislation
Covers dual credits costs in high school.
Easy-to-use online gifting program

Family and friends give the gift of college savings for:

- Birthdays
- Religious milestones
- Holidays
- Graduations
- Any special occasion!

Declan
Account owners should always consult with their tax advisor regarding gift giving. Your taxable estate, in the event you do not survive the 5-year period, a pro-rated amount will revert back to account of gift taxes per account. Contribute up to $70,000 in 1 year.
529 accounts are for all families!

National 529 Income Demographics

Over 60% make less than $150K

Source: Strategic Insight 529 Industry Analysis 2016
50% of U.S. families are saving for college,

of youth who have a college savings account are 4-7 times more likely to attend college.

7X
On average, IDeal account owners save more than Idahoans saving for college without IDeal. $11,000+

College of Western Idaho

Partners
Perspective Wealth
TEP
Educate Idaho Network

Partners:
Community events
FAFSA events
Financial aid nights
School open houses
Kindergarten registration
Preschool presentations

60%
By 2022,
Idaho's 60% goal
Barriers of postsecondary attainment

- Access

- Academic Readiness

- Affordability

*The Office of Performance Evaluations: Reducing Barriers to Postsecondary Education, June 16th 2012 & June 12th 2013*
Deferring college savings until after high school graduation, while this may seem like a savvy move, may not always be the best option. There are several factors to consider, such as the potential for increased earnings, the cost of college, and the benefits of early retirement savings. It's important to weigh these factors carefully and make an informed decision about how to best save for college.
Program enhancements
reduced fees

- April 2014 .75bps to .69bps
- April 2016 .69bps to .51bps
- Soon 2017 .51bps to .50bps

Save on fees while you save for college.
Lower fees announced!

OPEN A 529
To schedule a visit or speak with our staff, please call us at 800-969-9699.

Meet your

Nick Thiros

Ideal - Idaho College Savings Plan

Ideal College Savings Full-time Field Representative

Program Enhancements
Program enhancements
Spanish call center representatives
Did you know?
Now you can use your IDial account to pay for your college student's computer.
Happy Holidays

- Include Ideal’s printable gift coupons in mailed invitations
- Share over the phone or in person
- Email, Facebook, and Twitter invitation features

Gift code sharing:
Gifting increased 69%

Program enhancements
Program enhancements investments

Age-based investments now change every 2-3 years automatically

Previously every 5 years
education incentive to save for postsecondary education established in the year 2000 as an amendment to the cost of college in Idaho.

The current deduction was based on the increase in College Savings Program from $4,000 income tax deduction for the Idaho amount of the individual state income tax deduction.

Amend HB 185 to increase the
The case for an increase

Higher Education Cost Increases
- College education in Idaho has increased significantly in the past 16 years
- Tuition and fees are up 189% from 2000-2016
- The IDEal the tax deduction has not increased since inception in 2000

Idaho Schools are a Great Value:
- While the cost of a college degree in Idaho still represents a good value, the accessibility of higher education is affected by the affordability
Because postsecondary education is so important to the state's economy in providing a sufficient qualified workforce, it is proposed that this education deduction be updated.

education, an upward adjustment to the deduction is warranted.

To ensure that this educational deduction continues to provide for a similar incentive and

Encourage Personal and Family Responsibility:

The case for an increase
A precise comparison can be made in looking at only the student fee/tuition cost changes which occurred from 2000 to 2016 as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Average Annual</td>
<td>$670</td>
</tr>
<tr>
<td>Room &amp; Board</td>
<td>$1320</td>
</tr>
<tr>
<td>Books &amp; Supplies</td>
<td>$2449</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1897</td>
</tr>
<tr>
<td>Personal</td>
<td>$1948</td>
</tr>
</tbody>
</table>

Average 2016-2017 Costs

Postsecondary cost of attendance
Grow and keep its local workforce
Reduce the amount of student loan debt
Encourage additional educational giving from family and friends
To "catch-up" if they have started saving later than they had planned
Increase its go-on rate
Prepare financially to participate in postsecondary education of some type
Children
Save more for higher education especially the majority who save for multiple
Help Idaho and its Families:

H 185 Goals
Questions?