Annual Update
Senate Education Committee
Idaho College Savings Program

April [Handwritten]
Idea!

Purpose:
- To help individuals and families save for education in a tax-advantaged way.
- 2001: opened to the public
- 2002: added to Idaho Code IDAPA 33-5401 - 33-5410
- Idaho's state sponsored 529 college savings program

Idea!
<table>
<thead>
<tr>
<th>Year Started</th>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>2016</td>
<td>Edeline Ohman</td>
<td>Director of Investments</td>
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<tr>
<td>2016</td>
<td>Patrick Hodges</td>
<td>Deputy State Controller</td>
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<tr>
<td>2016</td>
<td>Besie Kimbrough</td>
<td>State Election Director</td>
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<td>2014</td>
<td>David Hahn</td>
<td>Financial Management Analyst Sr.</td>
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<td>2008</td>
<td>Brian Kane</td>
<td>Attorney General</td>
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<tr>
<td>2003</td>
<td>Tim Hill</td>
<td>Deputy Superintendent, Finance</td>
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</tbody>
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- The Idaho College Savings Board is comprised of Idaho's constitutional officers and or legislative.
- The board comprises 3 constitutional officers and 3 legislative officers.
- 2.5 local staff.
- Self-sustaining, receives no General Fund monies.

Program administration
Positive Gains

Program Growth

- 16% increase in assets from December 2016 to 2017.
- Average balance per account is over $14K.
- Beneficiary accounts = 33'622
- Current Program assets total over $456 Million.
Federal and state income tax-free if used for qualified withdrawals to eligible higher education and related to services to

Tax-free Education Withdrawals

- Required supplies
  - Tuition, fees, certain room & board, books
- Year programs, vocational and foreign schools
- Public & private colleges / universities, 2 & 4
- Computers, peripherals, software, Internet
- Access
Program enhancements

Save on fees while you save for college.

33%

Lower fees announced!

April 2014: .75bps to .69bps
April 2016: .69bps to .51bps
June 2017: .51bps to .50bps
A rollover to another state's qualified tuition program in the year of the rollover and the prior income tax, subject to recapture in certain circumstances such as a non-qualified withdrawal or contributions to the Ideal - Idaho College Savings Program are tax deductible from Idaho State.

Jointly:
- Up to $12,000 annually for married couples filing jointly.

Up to $6,000 annually for single filers.

Idaho State tax deduction.

Only Ideal 529 offers Idaho taxpayers an increased 50% program enhancements.

Ideal

[Image of a road sign with arrows pointing to the left and right, and the word "TAXES" in large letters.]
- Over $6.6 billion gifts since 2008.
- 11% increase from 2016.
- Over $1.5 billion gifts in 2017.

Recurring gifts online.
Family and friends can now schedule...
Regarding Gifts:

- Account owners should always consult with their tax advisor.
- The amount will revert back to your taxable estate.

In the event you do not survive the 5-year period, a pro-rated worth of gifts to a 529 at one time.

Contribute up to $75,000 or 5-years.

Federal Gift Exemption Increased

Estate Planning
Ideal Program contributions.
Qualifies for state income tax deduction on

Idaho specific:

• Tuition costs only
• Up to $10K annually per student
• K12 Public, Private or Religious schools

Compliance with Federal 529 Law:

K12 Expansion of 529
2018 active legislation: H463

ideal
Section (p) prevents a potential tax loophole.

...taken. and a state tax deduction was not previously taken.

In the case where a nonqualified withdrawal is taken...double tax on the principi...a contribution.

Section (q) is a technical correction to alleviate...
Invest in her future.

Questions?

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Ideal Executive Director
Christine Stoll