



529 Savings Plan

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It's a financial predicament many families face – saving for your children's future, your own future and having enough money for day-to-day expenses.

College can be funded many ways

- New Baby? Start Saving!
- The sooner you start saving for college, the better
 - The smaller the drain on your budget
 - The more money you'll have to fund other things, such as retirement

A good saving option is the 529 college-savings plan.

- Illinois has a 529 college saving plan available.
- The Illinois Bright Start 529 Plan is considered among the best in the country due to its low cost and investment choices.
- The money in a 529 savings account compounds free from federal taxes and can be withdrawn tax-free to pay for qualifying college expenses.
- Many parents might not know, but Congress passed legislation in late December that made permanent a rule to treat computers and related equipment as a qualified expenses.
- Illinois residents may also receive a state income tax deduction for contributions to the Bright Start plan.
- In the event the child does not attend any undergraduate programs, the principal funds can be withdrawn from the 529 plan.
 - The plan is flexible. Money can be transferred to another child, grandchild or even if you want to take college classes yourself
- The fund earnings will be subject to federal and state income taxes and a 10 percent withdrawal penalty. That's a small amount to pay for the peace of mind in knowing that you secured college funds without sacrificing your own future financial security.

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