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December is Top Month for Georgians to Invest in the Tax-Deductible Path2College 529 College Savings Plan

ATLANTA – December is traditionally the busiest month for Georgians to open new Path2College accounts – in fact, more than 3,400 new accounts were opened, and \$86 million was contributed during last December alone. Today, Georgia’s Path2College 529 Plan has grown to more than \$4.5 Billion in savings and over 219,000 accounts.

“The holidays are one reason why the end of the year typically shows an increase in college savings. Gifting money to a 529 plan account is a popular holiday present, and one that can grow with a child,” said Lynne Riley, president of the Georgia Student Finance Commission. “Through the Georgia Path2College 529 Plan’s Ugift® program, families can request and receive gifts that go directly to a child’s college savings. Contributing even \$25 to a child’s college savings plan can change their mindset about saving and empower them by letting them know there is a plan to help them achieve their goals.”

The State of Georgia has seen an increase in gifting to its college savings plan overall. In the past year, more than 20,000 individuals received gifts to their college savings accounts.

While the 529 Plan is intended primarily as a savings and investment vehicle for college expenses, these funds may be used for K-12 tuition, apprenticeship expenses, and payment of qualified education loans¹. Since its inception in 2002, Georgia families have used more than \$1.8 billion from their Path2College 529 Plan accounts to pay for education expenses.

Georgia taxpayers can invest in the Path2College 529 Plan for themselves, children, siblings, grandchildren, and friends. For those interested in the tax advantages of saving in the Path2College 529 Plan, contributions to the plan are deductible for Georgia income tax purposes up to \$8,000 per year, per beneficiary, for those filing a joint return and up to \$4,000 per year, per beneficiary, for those filing a single return (limitations apply*). Any earnings on those contributions in the Path2College 529 Plan are federal and Georgia income tax deferred. When it’s time to use 529 plan savings, withdrawals for qualified higher education expenses such as tuition, books, supplies and many other items are federal and Georgia income tax-free.



For more information about the Path2College 529 Plan or to open a college savings account, please visit www.Path2College529.com or call (877) 424-4377.

¹Withdrawals for tuition expenses at a public, private or religious elementary, middle, or high school, registered apprenticeship programs, and student loans can be withdrawn free from federal and Georgia income tax. If you are not a Georgia taxpayer, these withdrawals may include recapture of tax deduction, state income tax as well as penalties. You should talk to a qualified professional about how tax provisions affect your circumstances. K-12 withdrawals are limited to \$10,000 per year for K-12 tuition. Apprenticeship programs must be registered and certified with the Secretary of Labor under the National Apprenticeship Act. Student loan repayment subject to a lifetime limit of \$10,000 per individual when using a 529 plan.

***To learn more about Georgia's Path2College 529 Plan, investment objectives, risks, charges and expenses please see the Plan Description at path2college529.com. Read it carefully. Georgia taxpayers may be able to reduce their state taxable income by up to \$8,000 per beneficiary if married filing jointly (\$4,000 filing single) from contributions made into a Path2College 529 Plan. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss. If the funds are not used for qualified higher education expenses, a federal 10% penalty tax on earnings (as well as federal and state income taxes) may apply. Check with your home state to learn if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 Plan.**

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