



## **Back to School: Celebrating Nearly 30 Years of the 529 Plan**

September is here, and with it comes the familiar rhythm of “Back to School.” But for many families today, this season brings more than just supply lists, new teachers, or the first day jitters. It brings questions about how to afford education—not just for next semester, but for the years and even generations to come.

Whether you’re packing lunches for a kindergartner, touring colleges with a high school senior, or thinking about your grandchild’s future, education has become one of the most significant financial commitments families face. As your trusted financial advisor, we believe that education planning is not just about saving for college, it’s about aligning your money with your family’s values, legacy, and long-term goals.

### **A Milestone in Education Planning: Almost Thirty Years of the 529 Plan<sup>1</sup>**

This September marks the 30th anniversary of the 529 plan—a tax-advantaged savings vehicle designed specifically to help families prepare for education costs. Since its creation, the 529 plan has evolved to support more than just traditional college expenses. Today, it can be used for K-12 tuition, vocational programs, student loan repayment, and even rolled into Roth IRAs under certain conditions starting in 2024 (a major new benefit for long-term planners).

If you haven’t revisited your education savings strategy recently, now is a great time to do so. Here’s what we encourage our clients to consider:

#### **1. Start Early, No Matter Where You Are in Life**

The earlier you start saving, the more you can take advantage of compounding and tax-free growth. But even if your child is already in high school—or if you’re a grandparent—there are still smart strategies to maximize what you set aside.

We work with young families just beginning their financial journey, mid-career professionals managing multiple goals at once, and retirees who want to leave a meaningful legacy. No matter your stage of life, education planning fits into a larger picture of financial well-being.

## **2. Make Education Part of Your Holistic Plan**

Education doesn't exist in a vacuum. When we build financial plans for our clients, we take into account:

- Competing priorities like saving for a home or retirement
- Cash flow and debt management (especially student loans)
- Tax-efficient strategies across generations
- Legacy planning and wealth transfer

Planning for education is often the first opportunity parents have to think long-term about their financial values—and for grandparents, it can be a powerful way to pass on more than just money.

## **3. Know the New Rules and Hidden Opportunities**

The 529 plan is more flexible than ever before. Recent rule changes allow unused funds to be rolled into a Roth IRA for the beneficiary, assuming certain conditions are met. That means your education savings can still benefit your child even if they don't pursue college in a traditional way.

And for high-income families, 529s can play a key role in estate planning, allowing for strategic gift contributions that reduce taxable estates while funding education.

## **4. Back to School Isn't Just for Kids**

For many adults, going back to school—whether to change careers, finish a degree, or pursue a lifelong interest—is a growing trend. A good financial plan should account for lifelong learning opportunities, not just the traditional student pathway.

Whether you're considering a certification, a graduate degree, or starting a business, we can help you understand how to fund education in a way that aligns with your financial goals.

## **Final Thought: Invest in More Than Just Tuition**

At Moneco, we believe true financial planning goes beyond saving for one goal at a time. It's about seeing the full picture—education, homeownership, retirement, and legacy—and building a plan that brings it all together.

Please reach out with any questions regarding your financial life plan.

### **Important Disclosures**

<sup>1</sup> Prior to investing in a 529 Plan investors should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's qualified tuition program. Withdrawals used for qualified expenses are federally tax free. Tax treatment at the state level may vary. Please consult with your tax advisor before investing. (19-LPL)

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