# 529 COLLEGE SAVINGS PLANS

May 15, 2025

Shepherd FINANCIAL

# 529 COLLEGE SAVINGS PLANS

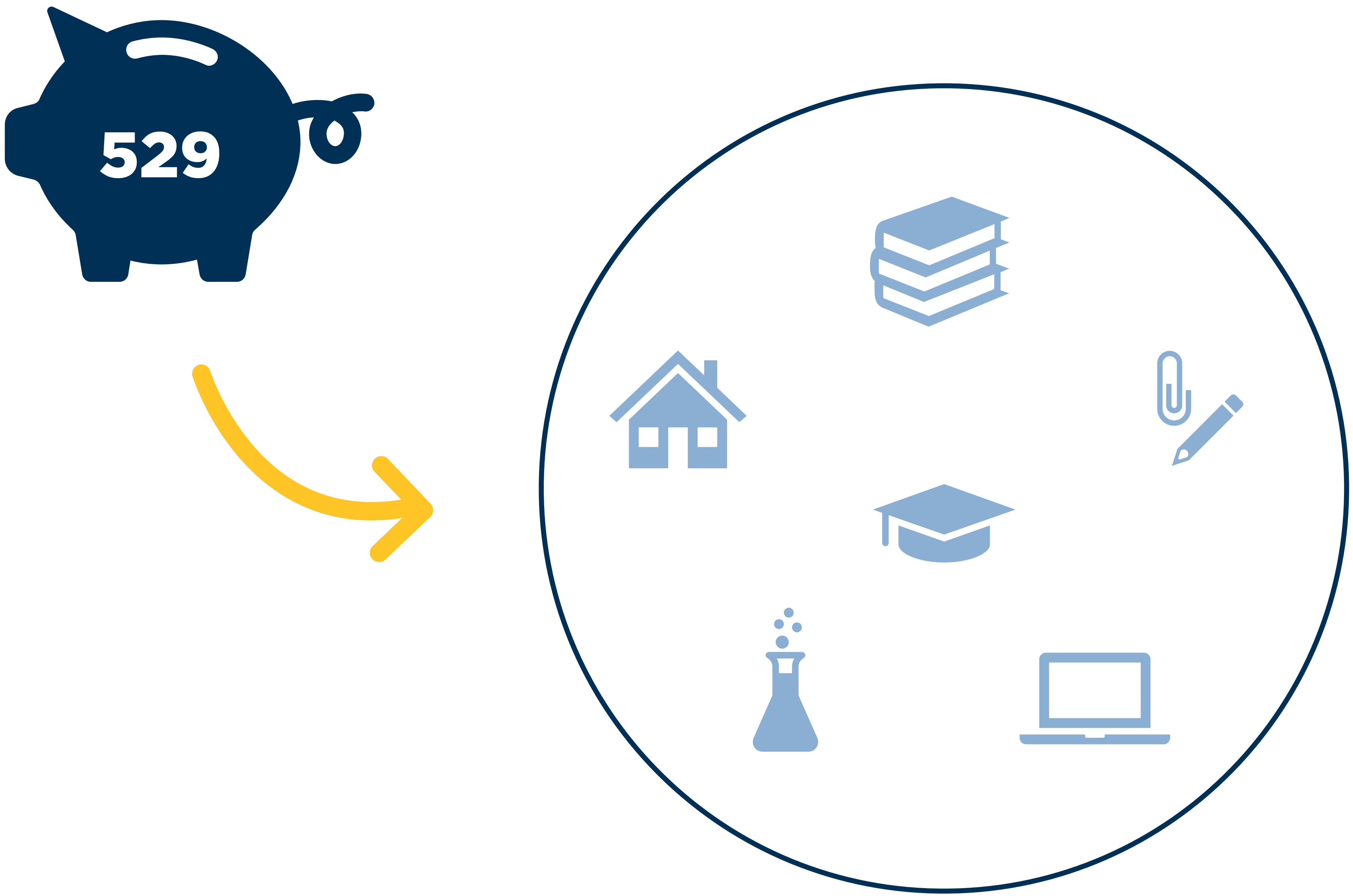
PAYING FOR HIGHER EDUCATION
WHAT IS A 529 PLAN?
INDIANA529 DIRECT
INVESTING IN A 529 ACCOUNT
WITHDRAWING FROM THE ACCOUNT
FREQUENTLY ASKED QUESTIONS
2025 WEBINAR SCHEDULE

| INSTITUTION TYPE | 2024 NATIONAL AVERAGE YEARLY COSTS[1] | | ESTIMATED TOTAL COSTS AFTER 18 YEARS[2] (Assumes 6% annual cost of inflation rate) |
|---|---|---|---|
| **PUBLIC 4 YEAR (IN-STATE)** | Tuition | $11,610 | **$311,167** |
| | Room & board | $13,310 | |
| | **Total** | **$24,920** | |
| **PUBLIC 4 YEAR (OUT-OF-STATE)** | Tuition | $30,780 | **$550,536** |
| | Room & board | $13,310 | |
| | **Total** | **$44,090** | |
| **PRIVATE 4 YEAR (NON-PROFIT)** | Tuition | $43,350 | **$731,717** |
| | Room & board | $15,250 | |
| | **Total** | **$58,600** | |

Sources:
[1] College Board Trends in College Pricing and Student Aid 2024
[2] https://www.calculator.net/college-cost-calculator.html

# 529 COLLEGE SAVINGS PLANS

- PAYING FOR HIGHER EDUCATION
- **WHAT IS A 529 PLAN?**
- INDIANA529 DIRECT
- INVESTING IN A 529 ACCOUNT
- WITHDRAWING FROM THE ACCOUNT
- FREQUENTLY ASKED QUESTIONS
- 2025 WEBINAR SCHEDULE



# 529 COLLEGE SAVINGS PLANS

PAYING FOR HIGHER EDUCATION

WHAT IS A 529 PLAN?

INDIANA529 DIRECT

INVESTING IN A 529 ACCOUNT

WITHDRAWING FROM THE ACCOUNT

FREQUENTLY ASKED QUESTIONS

2025 WEBINAR SCHEDULE

| | HOW THE MONEY GOES INTO THE PLAN | HOW THE MONEY GROWS IN THE PLAN | HOW THE MONEY IS TAKEN OUT OF THE PLAN |
|---|---|---|---|
| **529 PLAN** | After-tax | Tax-deferred | Tax-free* |

**SECURE ACT 2.0**

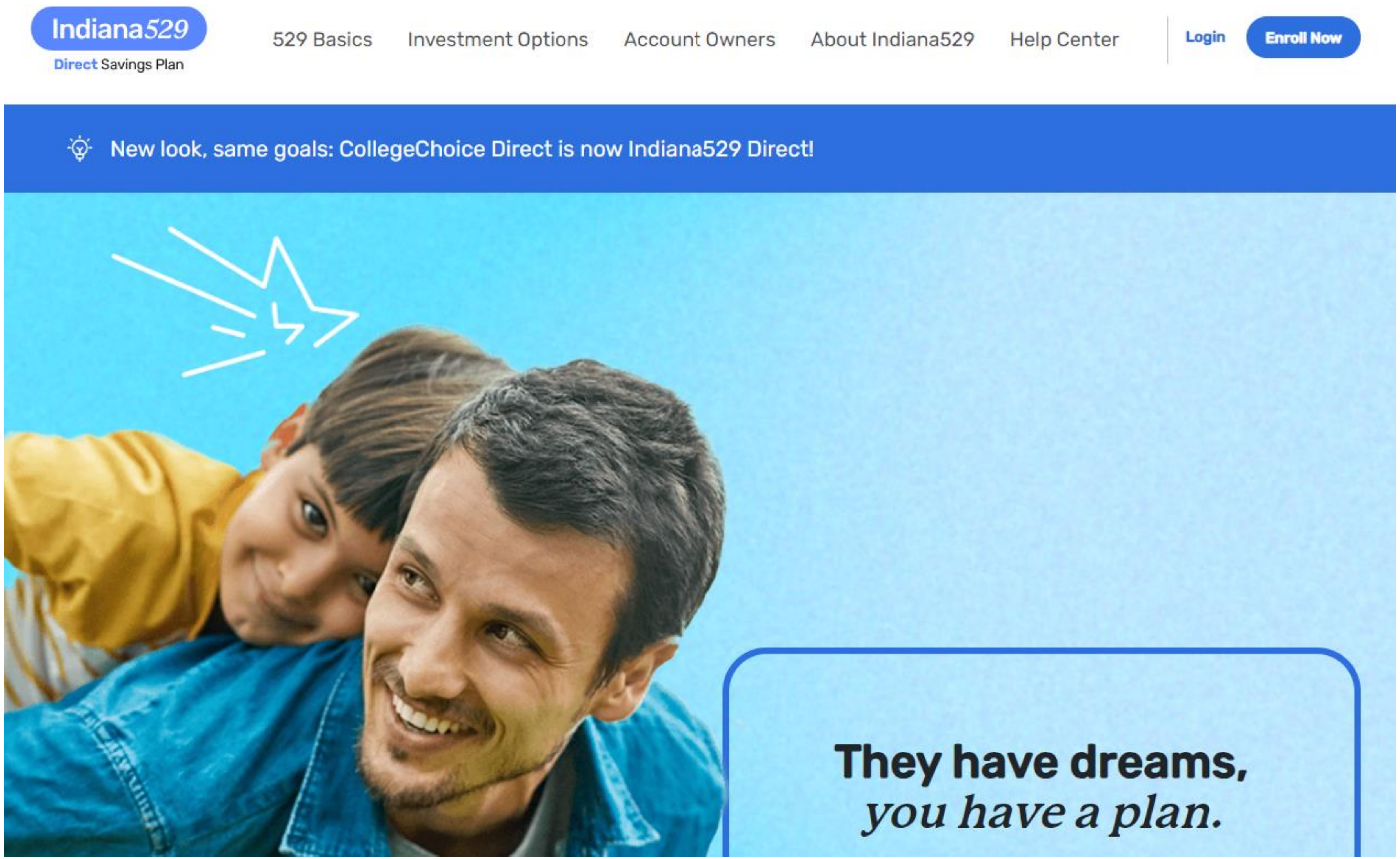
529 account owners can roll an aggregate lifetime limit of $35,000 from a 529 plan into a Roth IRA for the benefit of the 529 plan beneficiary.**

* The money will not be taxed when it is taken out if it is used to pay for qualified higher education expenses. Qualified expenses include tuition, mandatory fees, books, supplies, computers, equipment required for enrollment or attendance, certain room and board costs, and certain expenses for a special-needs student.

** Normal Roth IRA contribution limits apply, and the Roth account must be in the same name as the 529 plan beneficiary. The 529 plan must have been in existence for at least 15 years prior to the rollover, and any 529 contributions made within the last 5 years are ineligible.

# 529 COLLEGE SAVINGS PLANS






HTTPS://WWW.INDIANA529DIRECT.COM/

# 529 COLLEGE SAVINGS PLANS



| INDIANA529 DIRECT SAVINGS PLAN | |
|---|---|
| **RESIDENCY REQUIRED?** | No |
| **MINIMUM INITIAL CONTRIBUTION** | $10 |
| **MINIMUM ADDITIONAL CONTRIBUTION** | $10 |
| **TOTAL CONTRIBUTION LIMIT** | $450,000 per beneficiary |
| **STATE TAX BENEFITS FOR CONTRIBUTIONS** | Income tax credit of 20% of contributions, up to $1,500 per year |
| **STATE TAX TREATMENT OF QUALIFIED DISTRIBUTIONS** | Qualified distributions from Indiana and non-Indiana 529 plans are exempt |

Source: https://www.indiana529direct.com/

# 529 COLLEGE SAVINGS PLANS

PAYING FOR HIGHER EDUCATION

WHAT IS A 529 PLAN?

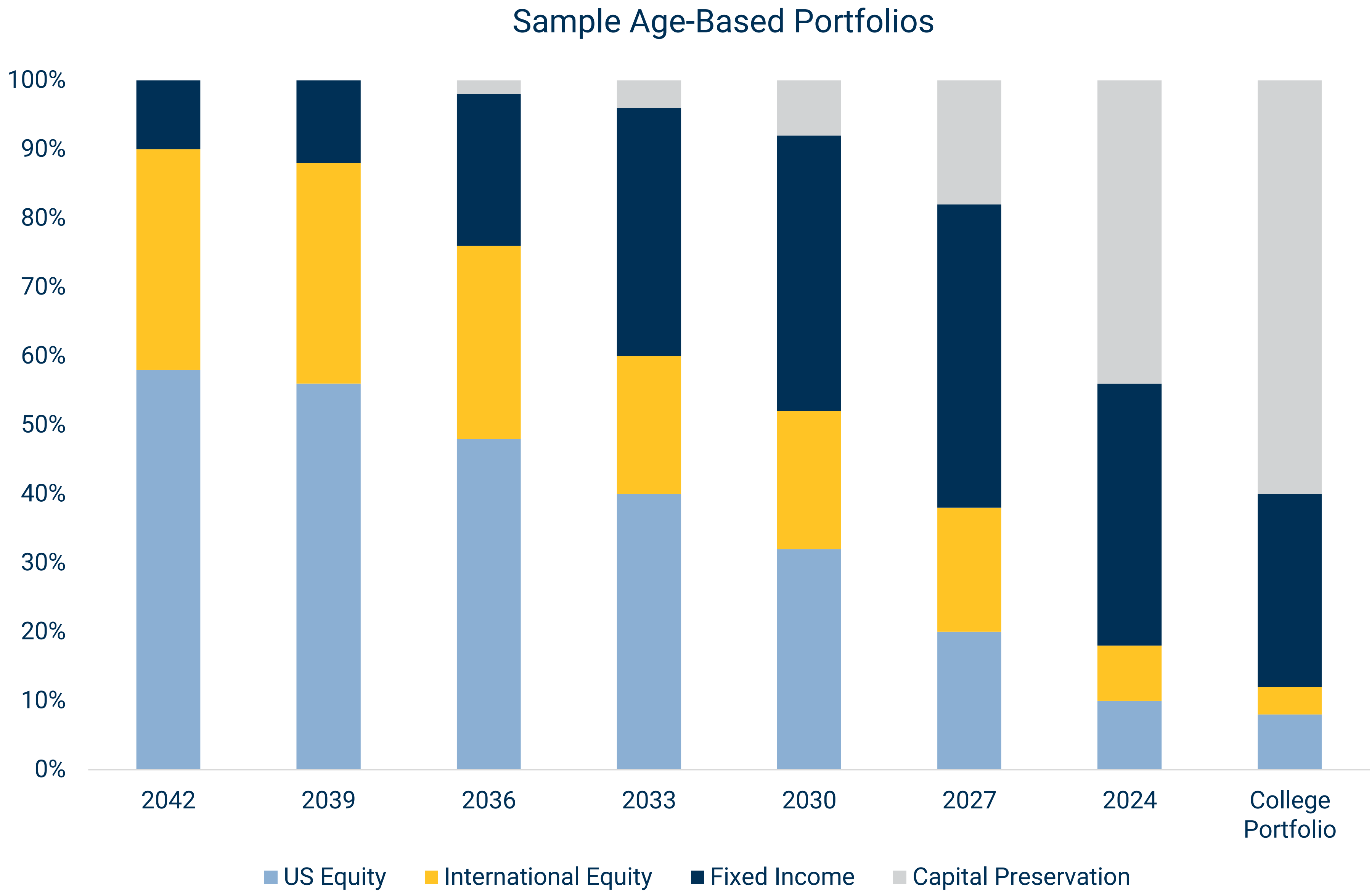
INDIANA529 DIRECT

INVESTING IN A 529 ACCOUNT

WITHDRAWING FROM THE ACCOUNT

FREQUENTLY ASKED QUESTIONS

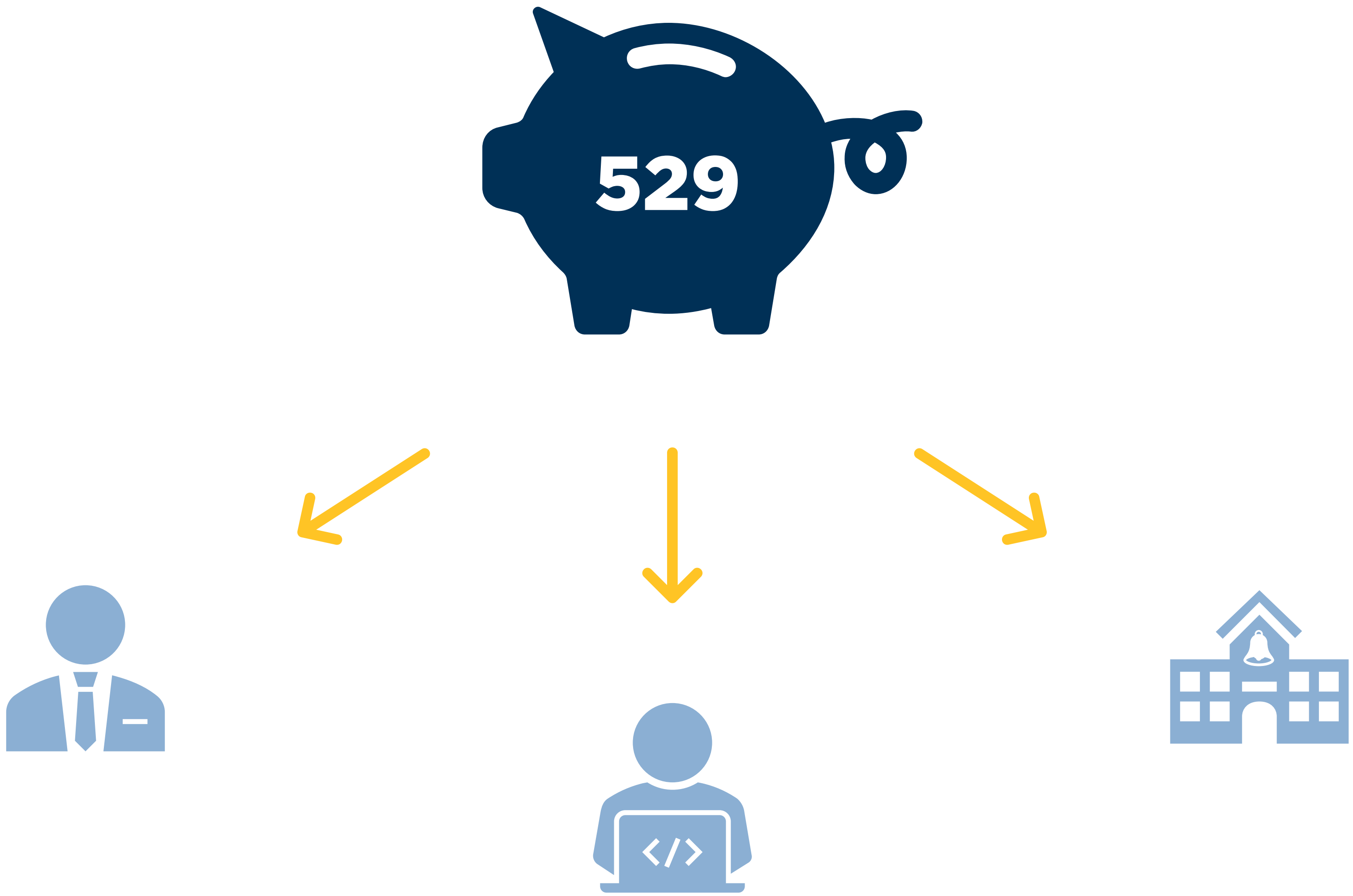
2025 WEBINAR SCHEDULE




For illustrative purposes only

# 529 COLLEGE SAVINGS PLANS





# 529 COLLEGE SAVINGS PLANS


PAYING FOR HIGHER EDUCATION

WHAT IS A 529 PLAN?

INDIANA529 DIRECT

INVESTING IN A 529 ACCOUNT

WITHDRAWING FROM THE ACCOUNT

FREQUENTLY ASKED QUESTIONS

2025 WEBINAR SCHEDULE


## WHAT IF THE ACCOUNT BENEFICIARY RECEIVES A SCHOLARSHIP?

- Take a withdrawal
- Use the money for other qualified expenses
- Save the money for future education
- Change the beneficiary

## SHOULD I USE THE 529 ACCOUNT FOR K-12 COSTS OR HIGHER EDUCATION?

- 529s are designed to be long-term savings vehicles
- Paying for K-12 tuition shortens your savings timeline
- You might not be able to take as much investment risk
- Consider your timeline and tax implications

# 2025 WEBINAR SCHEDULE



| | |
|---|---|
| JANUARY 23RD | Year-End Review & A Look Ahead |
| FEBRUARY 20TH | Managing Money: Budget, Emergency Savings, and Debt Basics |
| MARCH 20TH | Four Ways to Tackle Your Student Loan Debt |
| APRIL 24TH | Quarterly Market Review |
| MAY 15TH | Mastering 529 Plans: Smart Strategies for Funding College Dreams |
| JUNE 19TH | A Caregiver's Guide to Finances |
| JULY 24TH | Quarterly Market Review |
| AUGUST 21ST | Countdown to Retirement: Proactive Strategies for a Seamless Retirement |
| SEPTEMBER 18TH | Cybersecurity: Threats, Trends, and How You Can Stay Protected |
| OCTOBER 23RD | Quarterly Market Review |
| NOVEMBER 20TH | The Relationship Between Health and Wealth: Understanding the HSA Advantage |
| DECEMBER 18TH | Creating an Estate Plan to Leave a Lasting Legacy |

# CONTACT OUR TEAM

## 844.975.4015

## SHEPFINTEAM@SHEPHERDFIN.COM

## VISIT OUR WEBSITE

# DISCLOSURES

The discussion herein is general in nature and is provided for information purposes only. There is no guarantee as to its accuracy or completeness. It is not intended to be and may not be regarded as legal, tax, or financial advice. Laws of a specific state or laws relevant to a specific situation may affect the applicability, accuracy, or completeness of this information. Consult an attorney or tax advisor regarding your specific legal or tax situation.

Past performance is not indicative of future results. Investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk.

Lincoln Investment's Financial Advisor will have available a current prospectus of each fund whose shares are offered. There is no assurance that the techniques and strategies discussed are suitable for all investors or will yield positive outcomes. The purchase of certain securities may be required to effect some of the strategies. Investing involves risks, including possible loss of principal.

111 Congressional Blvd, Suite 100, Carmel, IN 46032 | 317.975.5033 | www.shepherdfin.com

Advisory services offered through Shepherd Financial Investment Advisory, LLC or Capital Analysts, LLC, Registered Investment Advisers.
Securities offered through Lincoln Investment, Broker/Dealer, Member FINRA/SIPC. www.lincolninvestment.com
Shepherd Financial, LLC and Shepherd Financial Investment Advisory, LLC are independent of and not affiliated with Capital Analysts or Lincoln Investment.

Lincoln Investment, Capital Analysts, and Shepherd Financial, LLC do not offer tax or legal advice services.

Investments in Target Date Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. The principal value in a Target Date Fund is not guaranteed at any time, including on or after the target date, which is the approximate date when investors turn age 65. Should you choose to retire significantly earlier or later, you may want to consider a fund with an asset allocation more appropriate to your particular situation. The funds invest in a broad range of underlying mutual funds that include stocks, bonds, and short-term investments and are subject to the risks of different areas of the market. The funds maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility. All investing is subject to risk, including the possible loss of the money you invest. Investments in bonds are subject to interest rate, credit, and inflation risk.

Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values. There are some risks associated with investing in the stock markets: 1) Systematic risk - also known as market risk, this is the potential for the entire market to decline; 2) Unsystematic risk - the risk that any one stock may go down in value, dependent of the stock market as a whole. This also incorporates business risk and event risk; and 3) Opportunity risk and liquidity risk. International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. An investment concentrated in sectors and industries may involve greater risk and volatility than a more diversified investment. Small and mid-cap stocks may be subject to a higher degree of risk than larger, more established companies' securities, including higher risk of failure and higher volatility. The illiquidity of the small and mid-cap markets may adversely affect the value of these investments so those shares, when redeemed, may be worth more or less than their original cost. In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities).

Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Lower-quality fixed income securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate. Treasury bills (T-bills) are short-term securities with maturities of one year or less issued at a discount from face value. Treasury bills are the primary instrument used by the Federal Reserve in its regulation of money supply through open market operations. Treasury notes (T-notes) are intermediate securities with maturities of 1 to 10 years. Denominations range from $1000 to $1 million or more. The notes are sold by cash subscriptions, in exchange for outstanding or maturing government issues, or at auction. Treasury bonds (T-bonds) are long-term debt instruments with maturities of ten years or longer issued in minimum denominations of $1,000. Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features. Any fixed-income security sold or redeemed prior to maturity may be subject to loss.

Treasury inflation protected securities (TIPS) refer to a treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and because the par value rises with inflation, as measured by the Consumer Price Index (see below), while the interest rate remains fixed.

The consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households.

Past performance is no guarantee of future results. No person or system can predict the market. All investments are subject to risk, including the risk of principal loss.

Consult your financial professional before making any investment decision.