

# Informers

CollegeCounts<sup>SM</sup>  
Alabama's 529 Fund

3rd Quarter 2012

## 2012 Alabama Tax Deduction

Don't miss out! To qualify for the 2012 Alabama State income tax deduction contributions must be made on or before December 31, 2012. Individuals can deduct up to \$5,000 and those who are married filing jointly can deduct up to \$10,000 for contributions made to your CollegeCounts account. Don't miss the December 31, 2012 deadline. Contributions can be made online or by mailing the deposit coupons included with your enclosed statement.

## Withdrawals for 2012

Be sure to match your qualified expenses and withdrawals from your CollegeCounts 529 Fund account in the same calendar year for tax purposes. If you incurred any expenses in 2012 that you would like to withdraw funds for, be sure to complete the withdrawal before December 31, 2012. Similarly, if you have expenses for 2013 due in early 2013, we would recommend you wait until after January 1, 2013 to request a withdrawal for those expenses. If you need to request a withdrawal make sure to utilize your CollegeCounts Online access to request your withdrawals online. Its quick, easy and secure!



Offered by the  
State of Alabama

**UNION BANK**  
& TRUST COMPANY.<sup>®</sup>  
Program Manager

## Updated Program Disclosure Statement

Under separate cover, you will be receiving an updated Program Disclosure Statement. Please review the information and keep it with your other account papers.

## 2012 Gifts

If you are considering making a gift to your beneficiary in 2012, we recommend you make your contributions by December 26, 2012 to allow ample time for the check to clear your bank account before the end of the year. If you prefer not to mail a check, keep in mind that Account Owners can make quick and easy contributions online through our secure website. The 2012 gift limit is \$13,000 for individuals or \$26,000 for married couples. If you decide to make an accelerated gift for the next five years, that limit goes up to \$65,000 for individuals or \$130,000 for married couples. When making larger gifts you will also want to complete Form 709 to split the gift over 5 years when you file your 2012 taxes. Be sure to consult your tax professional with questions regarding large gifts to your account, Form 709, as well as any potential tax considerations.

## Give the Best Holiday Gift

With the Holidays right around the corner parents/grandparents will be looking for gift ideas. Consider giving a gift that will truly benefit the recipient, a contribution to a new or existing CollegeCounts account. Gift cards and deposit coupons are available online or by contacting us at (866) 529-2228. As a benefit to the gift-giver, those who contribute to an account can also take advantage of the Alabama tax deduction if they file an Alabama income tax return. Remind contributors that the deadline for contributions to qualify for the 2012 state income tax deduction is December 31, 2012!

## Markets

We are just finishing a solid first 3 quarters of 2012. The overall market as measured by the S&P 500 Index is up over 16% year-to-date through September 27th. Make sure to review your account periodically and remember what the experts say – "it is time in the market versus timing the market" that is important. Make sure to match your investment strategy with your risk tolerance and time horizon.

**Thank you for  
investing with  
CollegeCounts!**

(866) 529-2228 • PO Box 85290 • Lincoln, NE 68501-5290

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The CollegeCounts 529 Fund is a qualified tuition program under Section 529 of the Internal Revenue Code that is sponsored by the state of Alabama and administered by the Board of Trustees of the ACES Trust Fund (the "Trust" and plan issuer). Union Bank & Trust Company serves as Program Manager, and Northern Trust Securities, Inc., acts as Distributor of the Advisor Plan. Accounts and investments under the CollegeCounts 529 Fund are not insured or guaranteed by the FDIC, the State of Alabama, the State Treasurer of Alabama, the Board, the Trust, the Program, Union Bank & Trust Company, Northern Trust Securities, Inc., or any other entity.

**Before investing, you should consider the investment objectives, risks, fees, expenses, and tax consequences associated with the Program. All of this information is contained in the Program Disclosure Statement. Please read it carefully before investing. For a copy, call (866) 529-2228, visit the plan website, or contact your investment professional.**

**If you or your beneficiary is not an Alabama resident, consider whether your home state or the home state of your designated beneficiary offers a qualified tuition program that provides a state tax deduction or other benefits to residents who invest in that program.**

**Not FDIC Insured    May Lose Value    No Bank Guarantee**

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