

# Informers

CollegeCounts™  
Alabama's 529 Fund

3rd Quarter 2013



Looking for an easy way to get family members and friends involved in helping save for your Beneficiary's college education? CollegeCounts *GiftED* makes it easy for anyone to make a contribution to your account. Simply log into your account at [CollegeCounts529.com](http://CollegeCounts529.com) and select the "Gifting" link to get started. You will enter the names and email addresses of the individuals you choose to invite to make a gift contribution. Select a pre-created message for one of several occasions (birthday, holiday, graduation, new baby, special occasion, etc) or write your own message. Emails will be sent to each invitee to suggest a contribution to your account as a gift. Each invitee has the option to make a contribution electronically from their bank account or via a check mailed directly to CollegeCounts. Our system will track the contributions made so you have the information needed to show your appreciation to those who contributed. In several easy steps your family members and friends can make a big difference in the future of your Beneficiary! The next time you are celebrating a birthday, holiday or other special occasion, encourage those closest to you to give your Beneficiary the gift that will last a lifetime – the gift of higher education through a contribution to your CollegeCounts account!

## Updated Program Disclosure Statement

You should have recently received a new CollegeCounts Program Disclosure Statement. The new PDS reflects the enhancements made to the plan's investment options on September 26, 2013. Please review the information in the Program Disclosure Statement and keep it with your other important CollegeCounts paperwork.

## 2013 Alabama Tax Deduction Deadline Approaching

Don't miss out! To qualify for the 2013 Alabama State income tax deduction contributions must be made on or before December 31, 2013. 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, 2013 deadline. Contributions can be made online or by mailing the deposit coupons included with your enclosed statement. A contribution mailed directly to CollegeCounts would qualify as a 2013 contribution as long as it is postmarked on or before December 31, 2013. Don't delay – contribute now to take advantage of the 2013 Alabama state income tax deduction!

## Important 2013 Gifting Information

If you are considering making a gift to your beneficiary in 2013, we recommend you make your contributions by December 26, 2013 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. Non-Account Owners can utilize CollegeCounts *GiftED* to make an electronic or check contribution. The 2013 gift limit is \$14,000 for individuals or \$28,000 for married couples. If you decide to make an accelerated gift for the next five years, that limit goes up to \$70,000 for individuals or \$140,000 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 2013 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.

## Withdrawals for 2013

We recommend you 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 2013 that you would like to withdraw funds for, be sure to complete the withdrawal before December 31, 2013. Similarly, if you have expenses for 2014 due in January, we would recommend you wait until after January 1, 2014 to request a withdrawal for those expenses. If you need to request a withdrawal, utilize your CollegeCounts online access to request your withdrawals online. It's quick, easy and secure!



Offered by the  
State of Alabama

**UNION BANK**  
& TRUST COMPANY.  
Program Manager

866.529.2228 • PO Box 85290 • Lincoln, NE 68501-5290

## Manage your CollegeCounts Account Online

Have you established online access for your CollegeCounts account yet? If not, it's easy to establish a username and password at [CollegeCounts529.com](http://CollegeCounts529.com). Simply select the "First Time User" link under the "Current Investors" heading to get started. The website not only provides the Account Owner with access to balance and transaction information, but also allows them to make contributions, establish or change Automatic Investment Plans, request an investment option change or withdrawal, view statements and even sign up for e-delivery for statements. If you would like personal assistance with accessing your account online, please call us at (866) 529-2228. Customer Care Representatives are available from 7:30 AM – 6:00 PM CT, Monday through Friday to assist. Online access through our secure website is a great way to keep track of your CollegeCounts account any time you want the information. Sign up today!

## Rollovers qualify for the Alabama tax deduction

Would you like to take advantage of the Alabama state income tax deduction without getting out your checkbook? If you have funds invested in an out-of-state 529 Plan and complete a Rollover of those funds into CollegeCounts prior to December 31, 2013 you can do just that! The full amount of a Rollover from an out-of-state 529 plan will qualify for the Alabama state income tax deduction up to the \$5,000 individual or \$10,000 joint limits. The IRS allows just one same-beneficiary Rollover between 529 plans every 12 months, so you will also want to factor in the timing of any Rollovers previously completed. As is the case for any contribution, to qualify for the state income tax deduction the Rollover check from the other 529 plan (not the Rollover Form used to request the rollover) would need to be postmarked on or before December 31, 2013 in order to be considered a 2013 contribution.

## How Has CollegeCounts Performed?

If you're interested in seeing performance results for the CollegeCounts 529 Fund portfolios, be sure to visit our website [CollegeCounts529.com](http://CollegeCounts529.com). Investment returns as of the most recent month end are available under the "Performance" tab.

## Risk Tolerance Questionnaire

Does your current Investment Option match your level of risk tolerance? Take our new Risk Tolerance Questionnaire to find out. The simple questionnaire will gauge your current tolerance for risk and assist you in determining an Age-Based portfolio that may be appropriate based on your responses. There is no guarantee that any particular investment or asset allocation will meet your investment objectives.

## Give the Best Holiday Gift

With the Holidays right around the corner, parents and 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. CollegeCounts GiftED makes it easier than ever for family members or friends to contribute to a CollegeCounts account. 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 2013 state income tax deduction is December 31, 2013!

**Thank you for investing with CollegeCounts! Have a happy and safe holiday season!**

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

**CollegeCounts**<sup>SM</sup>  
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