## Did you know...

- You can change your beneficiary at any time.
- A beneficiary can be any age; adults can set up an account for their own retraining, career and technical certification, or advanced studies at any eligible school.[8]
- You can have recurring contributions made directly from your bank account; or from every paycheck, if your company offers IDeal through payroll direct deposit.
- You can change your future investment allocation at any time.

# Enroll today!

## Call 866-433-2533 or visit idsaves.org

[8] Eligible schools generally include all post-secondary institutions that participate in Federal student aid programs

Jack

Emilia, Kate, Lily

## Ugift® – Give College Savings

Invite family and friends to help you save by celebrating holidays, birthdays, graduations, and other milestones with the gift of college savings. An easy, online three-step process lets you create and send out invitations. Contributions sent in are transferred into your IDeal account.

Take advantage of Ugift by enrolling in IDeal today at **idsaves.org.**

## Upromise®

Upromise is designed to help families save even more for college. Join for free and you can earn cash back for college on eligible everyday purchases when you shop online, dine out, and much more. And, the extra money from your Upromise account can add up over time when it is automatically transferred to your IDeal account on a periodic basis.[9]

To learn more visit **upromise.com/ideal**

[9] Upromise is an optional program offered by Upromise, Inc., is separate from IDeal, and is not affiliated with the State of Idaho. Specific terms and conditions apply. Participating companies, contribution levels and conditions subject to change without notice. Transfers subject to a $50 minimum.

ideal IDAHO COLLEGE SAVINGS PROGRAM

IDeal – Idaho College Savings Program
P.O. Box 219944
Kansas City, MO 64121-9944

866-433-2533
clientservice@idsaves.org
www.idsaves.org

*For more information about the Idaho College Savings Program (IDeal), call 866-433-2533 or visit www.idsaves.org to obtain a Disclosure Statement. The Disclosure Statement discusses investment objectives, risks, charges, expenses, and other important information. Because investing in IDeal is an important decision for you and your family, you should read and consider the Disclosure Statement carefully before investing.*

*If you are not an Idaho taxpayer, before you invest, consider whether your or the 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 that state's qualified tuition program.*

IDeal is administered by the State College Savings Program Board (Board). Ascensus Broker Dealer Services, LLC, (ABD) the program manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory and recordkeeping and administrative services. The Vanguard Group, Inc. (Vanguard) serves as Investment Manager for IDeal. Sallie Mae Bank serves as the Savings Portfolio Manager for IDeal. IDeal's Portfolios invest in either: (i) mutual funds and a separate account offered or managed by Vanguard; or (ii) an FDIC-insured omnibus savings account held in trust by the Board at Sallie Mae Bank. Except for the Savings Portfolio, investments in IDeal are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, you could lose all or a portion of your money by investing in IDeal, depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

Ugift® is a registered service mark.

**Not FDIC-Insured (except for the Savings Portfolio). No Bank, State or Federal Guarantee. May Lose Value.**

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Celia, Jeff, Declan, Jennifer

# Make an IDeal decision for your child

# This is an IDeal opportunity to make a difference in your child's future.

Whether an infant coming home for the first time, a kindergartner smiling on the first day of school, or a high school graduate walking across the stage to shake hands with the principal, all children deserve a future full of possibilities. With IDeal — Idaho College Savings Program, you can start saving now to help the child you care about have the future they deserve.

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## IDeal offers the following benefits to help you save:

- **Start with as little as $25.** Open an IDeal account with as little as $25 ($15 per pay period through payroll direct deposit). Future contributions can be as low as $25 too.[1]
- **Great tax benefits.** IDeal accounts grow tax deferred, and withdrawals used for qualified educational expenses are tax free.[2] **ID taxpayers** who save with IDeal receive an Idaho state income tax deduction of up to $6,000 per year ($12,000 if married, filing jointly).[3] **ID employers** that contribute to their employees IDeal accounts receive a 20% tax credit, up to $500 per employee per year.[4]
- **Flexibility to use at schools worldwide.** Money in an IDeal account can be used at any eligible K-12 public, private and religious schools, colleges, universities, career training centers and registered apprenticeship programs worldwide – not just in Idaho. Use IDeal funds to repay student loans, up to $10,000 per Beneficiary or sibling.
- **Many investment options.** You can create an investment allocation that matches your goals and risk comfort level.
- **Easy gift-giving with Ugift®.** This free-to-use service from IDeal lets family and friends contribute the meaningful gift of money toward a student's education. Contributions are tax deductible and are available to any Idaho taxpayer contributing to the account, not just the account owner.

[1] A plan of regular investment cannot assure a profit or protect against a loss in a declining market.

[2] Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

[3] You will be required to include the entire amount of a non-qualified distribution in your Idaho taxable income. You will be required to include the amount of a transfer to another state's 529 plan in your Idaho taxable income up to the amount of your total contributions to your IDeal account in the twelve (12) months preceding the date of the rollover.

[4] The employee may not take an Idaho state income tax deduction for contributions made by his/her employer.

## How does IDeal work?

When you enroll in IDeal, you choose to invest in one or more of ten different investment options based on your investing preferences and risk tolerance. The Plan offers three choices: Age-Based Options and Fixed Asset Allocation Portfolios, managed by The Vanguard Group, a leader in low-cost investments and one of the world's largest investment management companies, and the Savings Portfolio, which is FDIC-insured.[5] The Savings Portfolio is managed by Sallie Mae Bank.

All contributions made to your account grow tax deferred. When it is time to pay for educational expenses, distributions are federally[2] and Idaho state tax free.

Anyone can open and contribute to an account on behalf of a future student. The account owner retains control of the account.

### A college degree continues to pay off.

In 2018, median earnings of bachelor's degree recipients working full time were $24,900 (61%) higher than those of high school graduates.[6]

[5] The Savings Portfolio invests all of its assets in the Sallie Mae High-Yield Savings Account, ("HYSA"). The HYSA is held in an omnibus savings account insured by the Federal Deposit Insurance Corporation ("FDIC"), which is held in trust by the Idaho College Savings Program Board ("Board") at Sallie Mae Bank. Contributions to and earnings on the investments in the Savings Portfolio are insured by the FDIC on a pass-through basis to each account owner up to $250,000, the maximum amount set by federal law. The amount of FDIC insurance provided to an account owner is based on the total of (a) the value of an account owner's investment in the Savings Portfolio; and (b) the value of all other accounts held by the account owner at Sallie Mae Bank, as determined by Sallie Mae Bank and FDIC regulations. Except for the Savings Portfolio, investments in IDeal - Idaho College Savings Program are not insured by the FDIC.

[6] College Board, *Education Pays, 2019.*

## What are the fees associated with IDeal?

IDeal has no commissions, loads, or sales charges. The total annual asset-based fee is 0.36% ($3.60 per $1,000 invested), and there is a $20 annual account fee if neither the account owner nor the beneficiary is an Idaho resident.

## Why invest in a 529 plan?

529 education savings plans are designed specifically to help save for K-12 public, private and religious schools; college tuition, certain room and board costs, books, supplies, and other qualified education expenses. Because they allow your savings to grow tax deferred and the withdrawals used for qualified educational expenses are tax free,[2] your money has the potential to stretch further than it could with a savings method that doesn't offer these same tax advantages.

The hypothetical example below illustrates the power of tax-free savings with a 529 plan. In both cases, it begins with an initial investment of $2,500 and continues with monthly contributions of $100. After 18 years, the tax-free account is worth more.[7]

### Tax advantages can make your dollars work harder

[7] Assumptions: $2,500 initial investment with subsequent monthly investments of $100 for a period of 18 years; annual rate of return on investment of 5% and no funds withdrawn during the time period specified; taxpayer is in the 32% federal income tax bracket for all options at the time of contributions. This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or any taxes or penalties payable/due upon a non-qualified distribution. A plan of regular investment cannot assure a profit or protect against a loss in a declining market.