

529 Plan Updates

SECURE Act Update

On December 20, 2019, the president signed new tax legislation into law. The legislation includes the following provisions related specifically to 529 plan accounts. Beginning with the 2019 tax year, under federal law:

- Account owners can use assets to pay for fees, books, supplies or equipment required for the Beneficiary's participation in a registered apprenticeship program.
- Account owners can use assets to pay the principal or interest on a qualified education loan of the Beneficiary and/or the Beneficiary's sibling, up to the federal lifetime limit (\$10,000 per qualifying individual).

Nebraska statutes currently limit the use of NEST 529 college savings plan accounts only to qualified higher education expenses at eligible educational institutions (e.g., four-year colleges and universities, community colleges, technical schools, or graduate programs). Apprenticeship programs are not classified as eligible educational institutions under Nebraska law. In addition, Nebraska statutes do not allow the use of plan assets to repay education loans. Until the Nebraska Legislature adopts new legislation, the use of 529 accounts for costs associated with apprenticeship programs or to repay student loans would trigger recapture of amounts previously deducted by the account owner, and any earnings portions of the withdrawals may be subject to Nebraska state income tax.

We encourage you to consult a qualified tax advisor about your personal situation and how these changes may impact you.

Tax Bill Update

On December 22, 2017, the president signed new tax legislation into law. The legislation includes the following provisions related specifically to 529 plan accounts. Beginning with the 2018 tax year, under federal law:

- Account owners can use assets to pay for K-12 tuition at public, private and parochial schools, up to \$10,000 per year per beneficiary.
- Account owners can treat K-12 withdrawals for tuition as qualified expenses, which means that earnings on the withdrawals will not be subject to federal tax or a 10% penalty.
- Account owners can roll over 529 plan account assets to ABLE plans, up to the ABLE annual contribution limit.

Nebraska statutes currently limit the use of NEST 529 college savings plan accounts only to qualified higher education expenses at eligible educational institutions (e.g., four-year colleges and universities, community colleges, technical schools, or graduate programs). In addition, the statutes currently provide for the recapture of the Nebraska tax deduction on rollovers to other states' 529 plans, including ABLE plans. Until the Nebraska Legislature adopts new legislation, the use of 529 accounts for K-12 tuition and rollovers to another state's ABLE plan are subject to recapture to the extent previously deducted by the account owner.

We encourage you to consult a qualified tax advisor about your personal situation and how these changes may impact you.

The TD Ameritrade 529 College Savings Plan, NEST Direct Plan, NEST Advisor Plan and the State Farm 529 Savings Plan are issued by the Nebraska Educational Savings Plan Trust (the "Trust") and administered by the Nebraska State Treasurer, as trustee of the Trust. The four plans offer a series of investment portfolios within the Trust and are intended to operate as qualified tuition programs, pursuant to Section 529 of the U.S. Internal Revenue Code. More information on the plans within the Trust can be found at the Nebraska State Treasurer's website, <https://treasurer.nebraska.gov/csp/>.

An investor should consider the plan's investment objectives, risks, charges and expenses before investing. The TD Ameritrade 529 College Savings Plan Program Disclosure Statement and Participation Agreement contains more information and should be read carefully before investing. For more information on the TD Ameritrade 529 College Savings Plan, please call 877.408.4644 or contact your financial advisor. www.tdameritrade.com/collegesavings

Investors should consider before investing whether their or their 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 and should consult their tax advisor, attorney and/or other advisor regarding their specific legal, investment or tax situation.

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Participation in the TD Ameritrade 529 College Savings Plan does not guarantee that contributions and the investment return on contributions, if any, will be adequate to cover future tuition and other higher education expenses, or that a beneficiary will be admitted to or permitted to continue to attend an eligible educational institution.

Investments in the TD Ameritrade 529 College Savings Plan are not guaranteed or insured by the FDIC, SIPC or any other government agency, and are not deposits or other obligations of any depository institution. Investments are not guaranteed or insured by the State of Nebraska, the Nebraska State Treasurer, the Nebraska Investment Council, First National Bank of Omaha or its authorized agents or their affiliates, or TD Ameritrade, TD Ameritrade Investment Management, LLC or their authorized agents or affiliates, and are subject to investment risks, including loss of the principal amount invested. TD Ameritrade and the Trust are separate and unaffiliated and are not responsible for each other's services or policies.

Nebraska Educational Savings Plan Trust Issuer

Nebraska State Treasurer Trustee

Nebraska Investment Council Investment Oversight

First National Bank of Omaha Program Manager

First National Capital Markets, Inc. Distributor, Member FINRA, SIPC

TD Ameritrade, Inc. sub-administrator

TD Ameritrade Investment Management, LLC Portfolio Consultant

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