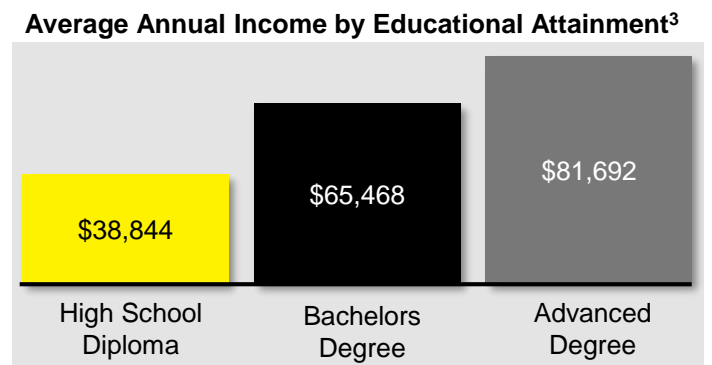
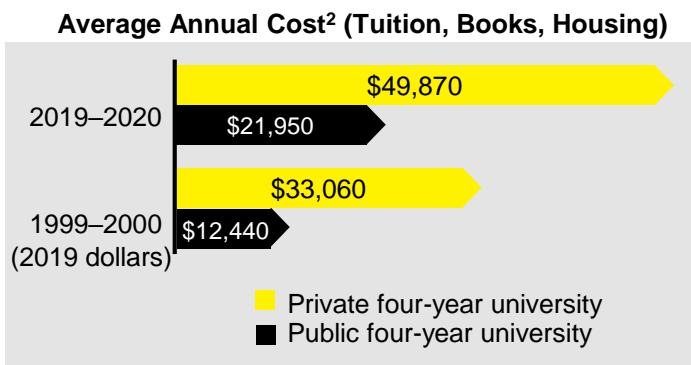


Planning for the Cost of Higher Education

Savings Vehicle	Description
529 Plans	State sponsored education savings vehicle. Tax-free withdrawals for qualified education expenses. Can be used for K-12 and higher education.
Coverdell ESA	After-tax savings and tax-free withdrawals for qualified education expenses. Contribution limit of \$2,000 per year. Can be used for K-12 and higher education.
Roth IRA	After-tax retirement account. May avoid early withdrawal penalties for qualified education expenses.
Custodial Account	Taxable account in the name of the minor. Contributions are irrevocable gifts; earnings up to \$2,200 may be taxable at the minor's tax rate ¹ .
Taxable Investment Account	Taxable investment account; provides most flexibility for use of funds. No special tax benefits for education savings.



	Federal Loans	Private Loans
Interest Rate	<ul style="list-style-type: none"> Fixed Set by Congress May be tax deductible 	<ul style="list-style-type: none"> Fixed or variable Market conditions Credit score May not be tax deductible
Repayment	<ul style="list-style-type: none"> Up to 10 years Interest can be deferred until after graduation 	<ul style="list-style-type: none"> Generally 5–20 years Interest typically begins right away
Other Features	<ul style="list-style-type: none"> Payment plans tied to income Eligible for Direct Consolidation Loan 	<ul style="list-style-type: none"> Extended repayment plans Graduated repayment plans Eligible for refinancing

UPoint website: <http://CatBenefitsCenter.com>
 Benefits Center: 877-228-4010 Mon-Fri, 8AM – 6PM CT
 Investment Advisors: 877-228-4010 and select "Investment advice" Mon-Fri 8AM–8PM CT

¹ Unearned earnings above \$2,200 may be subject to the parents' marginal tax rate. See "Kiddie Tax", IRS Tax Topic 553 for more information.

² <https://research.collegeboard.org/trends/college-pricing/highlights>

³ <https://www.bls.gov/news.release/pdf/wkyeng.pdf>

Information here is provided solely to supplement the "Planning for the Cost of Higher Education" presentation. This information should not be considered advice, and your information may warrant consideration of other alternatives. Please speak with your financial advisor and/or tax advisor.

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