



KENTUCKY
Education Savings Plan Trust

KESPT Connection

Summer 2018

Announcing new qualified expenses for your KESPT 529 plan account

Effective July 14, 2018, any withdrawals from your KESPT account to pay for elementary or secondary public, private, or religious school tuition – up to \$10,000 per year -- are free of both federal and Kentucky state income tax.

The Federal Tax Cuts and Jobs Act of 2017, which was passed in December 2017, included a provision allowing federal tax-free treatment on these types of distributions, but the Kentucky General Assembly has since passed HB Bill 434, allowing the same distributions to be free from Kentucky state tax beginning July 14.

To request a withdrawal for elementary or secondary school tuition, please complete and mail to the Plan a Withdrawal Request Form, available for download at kysaves.com under the “Manage” tab at top of each page. Be sure to keep copies of your tuition bills and receipts for recordkeeping purposes.

For more information, please call a KESPT education specialist at **877-598-7878** or visit kysaves.com.

KESPT benefits for Kentucky residents

If you are a resident of Kentucky, keep in mind that you are entitled to some additional KESPT benefits:

In-State Tuition Rates

If your KESPT account beneficiary moves to another state, he or she may still qualify for Kentucky in-state tuition rates. As long as there was a net contribution amount of \$2,400 in the account at the end of a continuous 8-year period during which the beneficiary lived in Kentucky, in-state tuition rates would apply (with possible restrictions). See the Disclosure Booklet (PDF) for additional information.

Student Aid Eligibility

KESPT accounts are not included when determining Kentucky need-based aid for a beneficiary. Other school or federal financial aid programs may consider KESPT assets in determining financial aid so be sure to contact the institution for details.

If you have questions about these benefits, please contact David Lawhorn at dlawhorn@kheaa.com.



KESPTips

- Keep your college savings on track by setting up an automatic contribution plan.
- Don't forget to ask friends and family to contribute eGifts to your account.
- Are your investments allocated appropriately for your beneficiary's age? You can rebalance up to twice per calendar year.

Manage these activities and more by logging into your account at kysaves.com.

Books about money to read with your kids this summer

With the KESPT summer reading program underway, below are some suggested books for you and your child to read together. Each book tells a different story about money concepts that are suitable even for a young audience:

Once Upon a Dime – A farmer's tree grows money, based on different fertilizers. By Nancy Allen and illustrated by Adam Doyle *Preschool - Grade 1*

A Dollar, a Penny, How Much, How Many? – A funny look at the basics of bills and coins. By Brian P. Cleary and illustrated by Brian Gable *Kindergarten - Grade 3*

Follow the Money – A day in the life of a quarter, including time at the Federal Reserve, a local bank, a grocery store and a child's piggy bank. By Loreen Leedy *Kindergarten - Grade 3*

While reading with your kids, remember to enroll in summer reading at your local Kentucky public library for a chance to win a \$1,000 KESPT college savings plan account and \$500 for your library! Details and official rules at kysaves.com. No purchase required. Void where prohibited. Enter by 8/17/2018.



Consider the investment objectives, risks, charges and expenses before investing in the Kentucky Education Savings Plan Trust. Please visit kysaves.com for a Plan Disclosure Booklet with this and more information. Read it carefully. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss.

Check with your home state to learn if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 plan. Consult your legal or tax professional for tax advice, including the impact of the new federal tax changes.

The Kentucky Education Savings Plan Trust is offered by the Commonwealth of Kentucky, TIAA-CREF Tuition Financing, Inc., program manager. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA and SIPC, distributor and underwriter.

00212004

518044