

# Invest529<sup>®</sup>

a program of Virginia529<sup>™</sup>



*Save Today for a  
Brighter Tomorrow*

# Start Saving Now to Meet Tomorrow's Education Needs

Post-high school education can represent a path to financial prosperity and opportunity. But paying for a traditional four-year college, a certificate program or an apprenticeship can be a challenge.



The debt many students take on as they pursue an education can harm their future financial independence.

## Consider<sup>1</sup>:

- Entering 2020, student loan debt rose to a record \$1.56 trillion dollars.
- Forty-five million Americans currently have student loan debt.
- 70% of college graduates have student loan debt after graduation.
- 73% of Americans aged 60 or older are taking on student loan debt on behalf of their children or grandchildren.

## One Solution - 529 Plans



Saving with a 529 plan lets time and planning work to your advantage. Virginia529's direct savings program, Invest529, helps families save for future qualified higher education expenses in tax-free accounts. Open an account with as little as \$10 and save at your own pace.

Parents who have saved for college with a 529 plan are four times more likely to have saved at least \$15,000.

Families with an Invest529 account save more for college, which can mean less borrowing, less worrying and not requiring your student to settle when it comes time to pick a school.

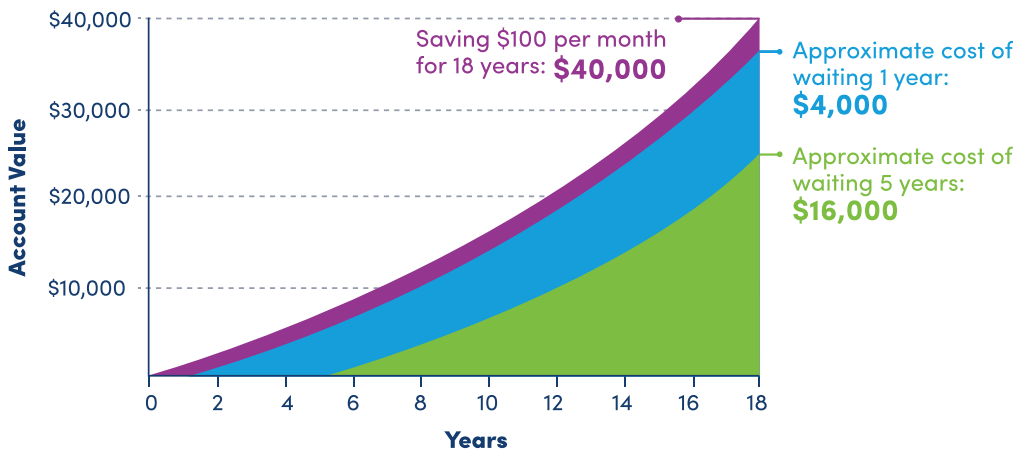
<sup>1</sup>Source: U.S. Federal Reserve, Federal Reserve Bank of New York

# What is a 529 Plan?

A 529 plan is a tax-advantaged way to save for college. 529 plans may also be used to save and invest for K-12 tuition, in addition to college and certain career training costs.

The earlier you start, the more your savings can grow. Saving just \$100 a month could yield nearly \$40,000 after 18 years.

## Cost of Waiting<sup>2</sup>



<sup>2</sup>This chart is for illustrative purposes only and is not intended to reflect actual performance of any specific investment. Assumes interest rate of 6.25 percent compounded monthly. The value of your Virginia529 account will vary depending on market conditions and the performance of the investment option you select, and it may be more or less than the amount you deposited. You could lose money – including the principal you invest – or not make money if you invest in one of these programs. Past performance of investments is not an indicator of future returns.

## Choose Your Path

Invest529 can be used to pay for qualified higher education expenses beyond tuition, including:

### Higher Education

Tuition, fees, meals, room & board, textbooks, supplies and more

### Registered Apprenticeship Programs

Fees, supplies and required equipment

### K-12

Tuition at private, public and religious schools

### Student Loan Repayment

Amounts paid on qualified student loans

# 5 Common Myths about Saving in a 529 Plan

**Myth:** 529 plans are only for children.



**Reality:** 529 plans are for learners of all ages, whether that be a child attending a private K-12 school, a teen preparing for their college years or an adult returning to school to upgrade their career skills.

**Myth:** 529 plans can only be used for college expenses.



**Reality:** 529 plans can also be used tax and penalty-free for qualified vocational and graduate school education. In recent years approved 529 uses have been expanded to include secondary school tuition and certain student loan repayment.

**Myth:** I'll lose all the money in my account if my child doesn't go to college.



**Reality:** You will never lose control of all the money. The money put into the account is always yours. If plans change, withdraw the money and you'll only pay taxes on the interest earned. Earnings that are not used for qualified education expenses, however, are subject to a 10 percent federal tax penalty (with certain exceptions for death, disability and scholarships).

**Myth:** My child can only go to college in the state where my 529 account was opened.



**Reality:** Your child can use their funds at any eligible college, no matter where your 529 savings plan is based. This includes four-year public and private colleges, community colleges, trade schools and even some international schools.

**Myth:** If my child gets a full scholarship (academic or athletic), I'll lose the money in my account.



**Reality:** If your student earns a scholarship, there is a special exception to any penalties that you might have incurred for an unqualified withdrawal. Alternatively, you can always transfer the funds to another family member or use them for graduate school.

# Why Save with Invest529?

Invest529's award-winning program can help you get started with as little as \$10, and you choose how much and how often to contribute in the future. Reach your goals faster and put your savings on autopilot with automated contributions from your bank account or your paycheck.



## Tax Advantages

Earnings on your accounts grow free from federal tax when used for qualified higher education expenses. Plus, Virginia taxpayers can deduct up to \$4,000 per Virginia529 account, per year from their Virginia state income taxes.



## Low Fees

There's no online application fee, no annual maintenance fee and no withdrawal fee for qualified higher education expenses – and Invest529 administrative fees are among the lowest in the nation.

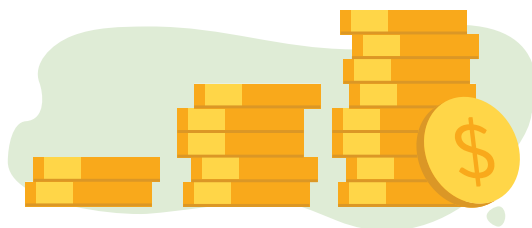


## Flexibility

Accounts can be used to fund qualified higher education expenses at schools nationwide and overseas. These accounts can be used at public or private universities, graduate, vocational and private or religious K-12 schools, apprenticeships, and for student loan repayment.

# Explore Your Investment Options

Invest529 offers a diverse selection of investment portfolios designed to help you reach your savings goals.



Choose from five distinct investment categories:

## Target Enrollment Portfolios



*The “set it and forget it” approach to investing*

Target Enrollment Portfolios follow a strategy that annually shifts from riskier investments (think equities) and toward more conservative investments (think bonds and cash) each year as you get closer to using the funds for your child’s post-high school education. These portfolios are designed to closely match your student’s expected high school graduation date.

## Target Risk Portfolios



*Risk levels ranging from conservative to aggressive*

Target Risk Portfolios maintain a defined level of risk and hold a diversified mix of stocks, bonds, cash and other investments to create a desired risk profile. Target Risk Portfolios are static and should reflect your current risk tolerance. Both passively and actively managed options are available.

## Index Portfolios



*Match the risk and return of the stock market*

Index Portfolios track the performance of a broad market. These portfolios typically offer lower fees than other investment options.

## Specialty Portfolios



*Specific, alternative investment strategies built on a mix of domestic and international stocks*

Specialty Portfolios include investment options that do not fall into the other categories. These include options like the ESG Core Equity Portfolio, which seeks returns while also focusing on long-term impacts on the environment and society through corporate governance and management of the underlying investments.

## Principal Protected Portfolios



*An option for those focused on the security of their investment*

Principal Protected Portfolios are designed to protect against losses to the original amount you've invested, generally offering a more stable investment option.

Get the details on Invest529's newest Principal Protected option, the Tuition Track Portfolio, on the next page!

# Introducing the Tuition Track Portfolio

Invest in a portfolio that keeps pace with Average Tuition

Tuition costs rise almost every year. Take the guesswork out of your savings with the Tuition Track Portfolio, an exclusive investment option for Virginia residents.



With the Tuition Track Portfolio, your savings will grow at the same rate as Average Tuition<sup>1</sup> at Virginia public colleges and universities - without the risk of stock market volatility.

## How Tuition Track Works



- Contributions purchase units any time, with no contract



- 100 Units equal one year of Average Tuition

- Designed to protect against losses

- Average Tuition calculated annually

- Can be used at eligible Virginia public, private or out-of-state colleges



- Pay for more than just tuition - books, meal plans and more

<sup>1</sup>Average Tuition is defined as the weighted average of Tuition based on the number of full-time equivalent undergraduate in-state students enrolled at each applicable Virginia Public Institution.



# Give the Gift That Will Last a Lifetime - Education

There are three easy ways to make or receive a contribution to an account:



## Contribute Online

Use the Virginia529 Gift Center to purchase and deliver digital gift cards.



## Contribute by Gift Card

Invest529 gift cards are available at select retail locations nationwide.



## Contribute by Mail

Print a gift certificate for easy convenience.

# Others Can Help Grow Your Invest529 Account

Each account has a custom gift ID number:



## It's Shareable

Share the custom gift ID with family members and friends to make gifting easy for everyone.



## It's Secure

The custom gift ID keeps account information private, making it safe to share on social media and online when directing gifts to the intended recipient and account!



Visit [Virginia529.com/gifting](https://Virginia529.com/gifting) to learn more!

# Virginia529's Initiatives

Helping families plan for their future - one dream at a time.

Virginia529 strives to help make the financial lives of all Americans better through its commitment to affordable and accessible savings programs, and financial education.

## A Growing Network of Services

The achievements of the communities that Virginia529 serves is the ultimate measure of its success. All of the services provided are designed to best prepare families for their future financial needs.



Program Enhancements



Scholarship Offerings



Education



Technology Improvements



## SOAR

SOAR Virginia prepares eligible high school students across Virginia for success in their post-high school education through individual advising, encouragement and up to \$2,000 in an Invest529 scholarship account.

Visit [Virginia529.com/soar](https://Virginia529.com/soar) to learn more.



## Virginia529@work

Virginia529@work helps employers educate employees on saving for future education expenses by providing information sessions and attending events like benefits fairs - for free. Ask your employer's Human Resources to learn more about this initiative and visit [Virginia529.com/employers](https://Virginia529.com/employers).

# About Virginia529's Other Savings Programs

In addition to Invest529, Virginia529 offers an alternative education and a disability savings option for families.

## CollegeAmerica®

Work with your financial advisor to reach your savings goals. Choose from a variety of American Funds® portfolios to build a plan that best suits your needs.

Contact your financial advisor, visit [AmericanFunds.com/529](https://www.AmericanFunds.com/529) or call 1-800-421-0180 ext. 529 for more information.

## Disability Savings

For too long, people with disabilities could not save for the future out of fear of losing their public benefits. Advocates fought hard to change this, resulting in the ABLE Act.

## ABLEnow®

ABLEnow<sup>SM</sup> provides a simple, affordable and tax-advantaged pathway to greater independence for individuals with disabilities.

Visit [ABLENOW.com](https://www.ABLENOW.com) to learn about ABLEnow, the country's largest independent disability savings program.

## ABLEAmerica®

Choose from a variety of American Funds while working with your financial advisor to build an ABLE savings plan that meets your specific needs.

Contact your financial advisor for more information.

# Invest529<sup>®</sup>

## Want to learn more?



Visit the **Smart Savers Academy** and learn about saving for your child's future from the comfort of your home. Get education savings answers from industry experts through live webinars and Virginia529's on-demand video library

Narrow down your investment options using the **Portfolio Selection Assistant**

Use the **College Savings Estimator, Cost of Waiting Calculator and Financial Aid Calculator** to determine your future higher education costs and plan your saving strategy

Explore the underlying assets for each of **Invest529's investment options** and review their Portfolio performance

## Want to win \$529 toward an Invest529 account?

Visit [Virginia529.com/win](https://Virginia529.com/win) to read the terms and conditions, and enter for your chance to win!



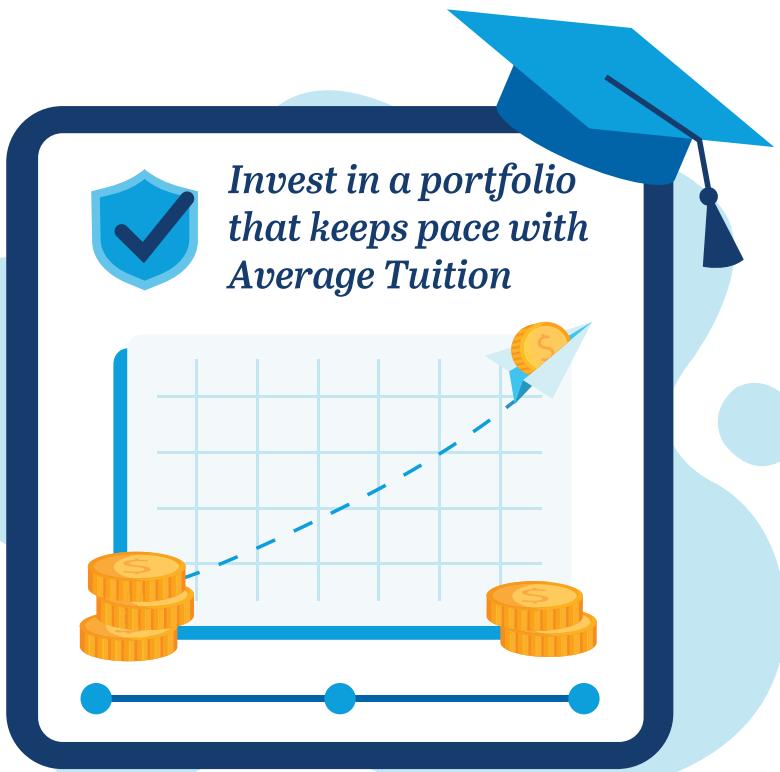
Visit [Virginia529.com](https://Virginia529.com) for details and official rules. Call 1-888-567-0540 or visit [Virginia529.com](https://Virginia529.com) to obtain all program materials. Read them carefully before investing. An investor should consider the investment objectives, risks, charges, and expenses of the programs before investing.

For non-Virginia residents: before investing, consider whether you or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protections from creditors that are only available for investments in that state's qualified tuition program. © 2022 Virginia College Savings Plan. All Rights Reserved.

# Tuition Track Portfolio

An Invest529 Portfolio Option

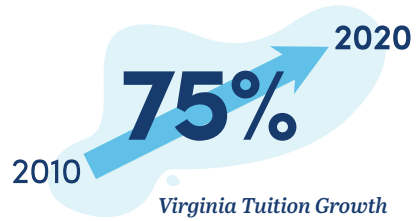
Principal Protected Portfolio



**invest529<sup>®</sup>**

# Why Tuition Track?

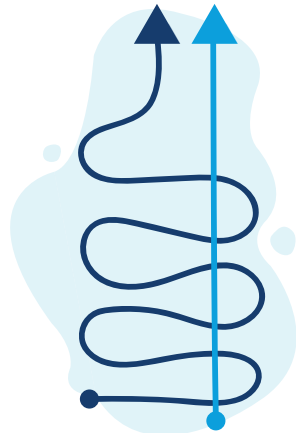
Tuition costs rise almost every year. Take the guesswork out of your savings with the **Tuition Track Portfolio**, an exclusive investment option for Virginia residents.



With the Tuition Track Portfolio, you can purchase units toward Tuition and other qualified higher education expenses, contract-free and year round.

The purchased units will keep pace with Average Tuition<sup>1</sup> inflation at Virginia public universities, and provide **a simplified, defined path** that families can take when saving to cover college and certain career training costs.

*Saving for higher education*



*Tuition Track Portfolio*

<sup>1</sup> Average Tuition is defined as the weighted average of Tuition based on the number of full-time equivalent undergraduate in-state students enrolled at each applicable Virginia Public Institution.

# What Tuition Track Covers

As a portfolio option within Virginia529's Invest529 program, Tuition Track offers the same tax advantages that have helped make Invest529 a top-rated program for years.



- Use your savings at any eligible private or public school in Virginia or out-of-state.



- Pay for more than just tuition. Room and board, books, meal plans and all other qualified higher education expenses are covered.

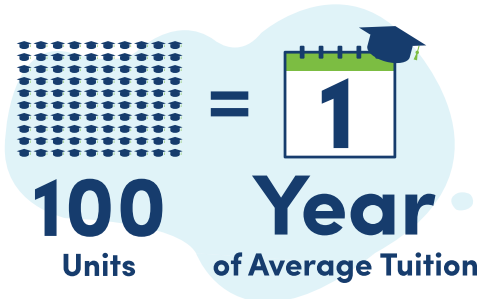


# How Tuition Track Works

Invest529 tracks the Average Tuition costs at public Virginia colleges and universities. You can purchase whole or fractional units, based on on your budget and savings goals.

For every 100 units you purchase, you'll receive the value equal to one year of Average Tuition when your student uses their units.

Purchase fewer than 100 units, or more!

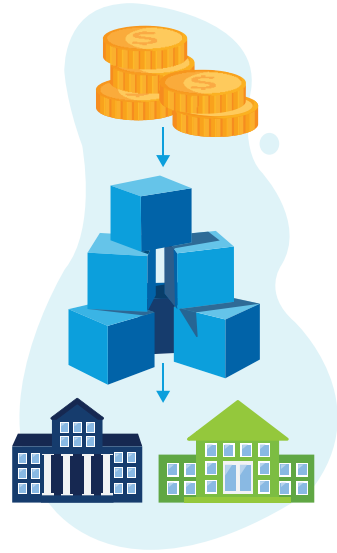


Each year the value of your units will shift to keep up with average tuition costs. As Average Tuition increases, your Tuition Track Portfolio will grow at the same pace.



# Using Your Units

More than half of Virginia public colleges and universities have Tuition costs under Average Tuition, so 100 units a year at those schools may cover all Tuition and some additional qualified higher education expenses.



Let's say last year's Average Tuition cost was \$15,000. Now, divide that average yearly cost into 100 units... making each unit \$150.

To cover the cost of Tuition at a higher-than-average priced college, or to cover costs beyond Tuition at any eligible educational institution, families can purchase and use more than 100 units for each year.



## School A

$$\begin{array}{r} \$11,000 \text{ Current Tuition} \\ - \$15,000 \text{ 100 Units Paid} \\ \hline = +\$4,000 \text{ Surplus for} \\ \text{other qualified} \\ \text{higher education} \\ \text{expenses} \end{array}$$

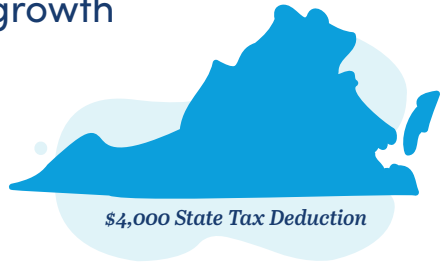


## School B

$$\begin{array}{r} \$25,000 \text{ Current Tuition} \\ - \$15,000 \text{ 100 Units Paid} \\ \hline = -\$10,000 \text{ Left to pay} \\ \text{toward Tuition} \end{array}$$

# What's Different?

Just like other Invest529 portfolios, Tuition Track Portfolio offers tax-free growth and is eligible for the \$4,000 Virginia state income tax deduction.



But there are a few differences to consider before investing:



Tuition Track Unit Price and value adjust annually on July 1



Purchase units until June 30 of your student's senior year of high school



Units are eligible for use once they have been held for three or more years and the beneficiary reaches the Expected Usage Date



Available only for Virginia residents

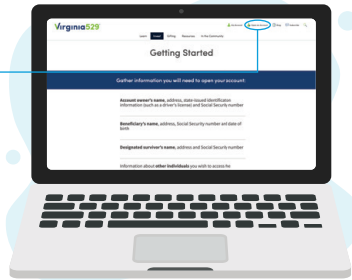


No administrative or investment fees are assessed on Tuition Track Portfolio Accounts

# What's Next?

If you're a Virginia resident, or your beneficiary is, you can start saving with Tuition Track in three easy steps!

**1** Visit [Virginia529.com](https://Virginia529.com) and click **Open an Account**

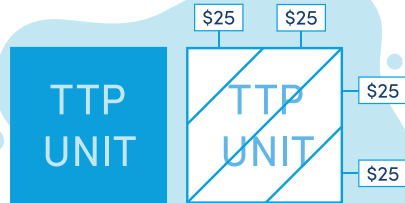


**2** Indicate **Tuition Track Portfolio** as your investment selection when completing the Invest529 application

**3** Enter the amount of money you want to contribute to your account

Get started with as little as \$10. You can save at your own pace with one-time contributions or put your savings on autopilot with recurring contributions.

Remember, every dollar contributed purchases fractional or whole Tuition Track Portfolio units, so get started today!



# Want to Learn More?

Tuition Track is a principal protected portfolio within Invest529. Offered exclusively for Virginia residents, it is designed to protect against losses to the original amount you've invested, generally offering a more stable investment option. For more than twenty years, Invest529 has made higher education more accessible and affordable for families and individuals.

**invest**<sup>SM</sup>  
**529**

At Virginia529.com, you can:



- **Use the Tuition Track Calculator** to figure out how many units you can buy based on your budget
- **Visit the Smart Savers Academy** and learn about saving for your child's future from the comfort of your home. Get education savings answers from industry experts through live webinars, and Virginia529's on-demand video library
- **Explore the Tuition Track Portfolio's underlying assets** and portfolio performance, or review Invest529's other low-cost investment portfolio options

Call 1-888-567-0540 or visit Virginia529.com to obtain all program materials. Read them carefully before investing. An investor should consider the investment objectives, risks, charges, and expenses of the programs before investing. For non-Virginia residents: before investing, consider whether you or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protections from creditors that are only available for investments in that state's qualified tuition program.

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# Virginia529<sup>SM</sup> New Saver FAQ

## Are there any limitations on who may open a Virginia529 account?

Generally, account owners must be 18 years of age or older and a U.S. citizen or legal U.S. resident to open an account, while the beneficiary must be born and a U.S. citizen or legal U.S. resident to be named to an account. Only the Tuition Track Portfolio within Invest529, and the Prepaid529 program require the owner or beneficiary to be a Virginia resident at the time the account is opened.



## Do I have to be a Virginia resident to open a Virginia529 account?

While there are no residency restrictions for CollegeAmerica and most savings options within Invest529, the Tuition Track Portfolio – Invest529's newest offering as of February 2021 – is only available to Virginia residents.

## May I invest in more than one Virginia529 program?

Yes. Many families choose to enroll in multiple Virginia529 programs. Account values across all programs may not exceed \$550,000 per beneficiary.

## Does my Virginia529 account affect eligibility for federal financial aid?

Any non-retirement investment or savings account may affect eligibility. For accounts owned by parents and dependent students, the Free Application for Federal Student Aid (FAFSA) assesses 529 assets at a maximum of 5.64 percent of the value when calculating the Expected Family Contribution (EFC) for financial aid eligibility. Accounts owned by other parties will impact eligibility differently. For more information, consult [studentaid.gov](http://studentaid.gov) or an educational financial aid adviser.

## How do I get started?

First, read the program description for the program(s) in which you are interested. Next, visit [Virginia529.com](http://Virginia529.com) and select "Open an Account" to create your online user profile. Opening an Invest529 account online requires no application fee. You can also obtain additional information on how to start your savings with CollegeAmerica at [Virginia529.com](http://Virginia529.com).

# Virginia529<sup>SM</sup> Current Saver FAQ

## How do I contribute to my account?

Contributions may be made online at [Virginia529.com](http://Virginia529.com), and also by check, online bill pay, and by direct deposit from an employer.

## Can anyone make contributions to my account?

Yes! Anyone may contribute to your Virginia529 account. Family and friends can use Virginia529's Gift Center to learn more about contributing to your account online, by gift card or by mail!

## What are the tax advantages of a Virginia529 account?

Virginia taxpayers who are Virginia529 account owners can deduct their contributions up to \$4,000 per account, per year, with unlimited carryforward to future tax years. Accounts may grow free from state and federal taxes and are exempt from tax when distributions are used for qualified higher education expenses.

# Virginia529<sup>SM</sup> Current Saver FAQ

(continued)

## **Do I have to use my account at a Virginia school?**

No. All of our accounts, including Prepaid529, can be used at any eligible educational institution around the country or the world, public or private! Benefits of Prepaid529 contracts differ depending on how and where they are used. Read the program description for each program for more information.

## **Can my Virginia529 account be used at professional or graduate schools?**

Yes. Most vocational, technical, and graduate schools are eligible educational institutions. Check the eligibility of a specific school online at [studentaid.gov](http://studentaid.gov) using the "School Code Search" or contact the school directly. Benefits of Prepaid529 contracts differ depending on how and where they are used. Read the program description for each program for more information.

## **Can I transfer my account to someone else?**

Account ownership can be transferred at any time to an individual 18 years of age or older and a U.S. citizen or legal U.S. resident. Account benefits can be transferred to a member of the current beneficiary's family without penalty. Penalties may apply if transferred to an individual who is not a member of the current beneficiary's family. Please read each program description and consult your tax adviser for more information.

## **How long do I have to use my account?**

You have thirty years after the beneficiary's projected high school graduation date, or thirty years from when the account was opened (if opened after the beneficiary's high school graduation) for CollegeAmerica and most Invest529 accounts. You have ten years after the beneficiary's projected high school graduation date to use a Prepaid529 or Tuition Track Portfolio account. Virginia529, in its sole discretion, may grant limited extensions of time in which to use a Virginia529 account.

## **Is it possible to cancel my account?**

Yes. Accounts can be cancelled at any time. Keep in mind that earnings not used for qualified higher education expenses are subject to a 10 percent federal penalty (with certain exceptions for death, disability and scholarships), plus federal and state income taxes on the earnings reportable on the taxpayer's return, and the recapture of any Virginia tax deduction previously taken on the amount of the cancellation or refund.