from the NEST

IN THIS ISSUE

Watch the video series at **NEST529.com/AskPenny**

In this episode, see how to roll over out-of-state funds to your NEST 529 account.

NEST 529 EDUCATION SAVINGS

Set them up to soar.

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Maximize your savings: Don't miss out on year-end tax benefits.

A MESSAGE FROM THE NEBRASKA STATE TREASURER

As we approach the end of the year, don't forget that if you want to make the most of your loved one's NEST 529 account, **your 2024 contributions need to be made by the December 31 deadline**. By doing so, you'll be able to take full advantage of potential tax benefits associated with contributions you've made throughout the year.

Remember, you won't have to pay state or federal taxes on the money your investment earns while it remains in the Plan. When it's time for your loved ones to leave the nest, you can withdraw those funds tax-free, as long as they're used for qualified higher education expenses like tuition and supplies.[1]

Nebraska account owners benefit from an annual Nebraska state income tax deduction of up to $10,000[2] — one of the many benefits of planning ahead for your loved one's future. We encourage you to take time to review your 2024 NEST 529 contributions and begin planning for 2025!

Learn more about how you can maximize these tax benefits at NEST529.com/benefits.

Need to roll over an out-of-state 529 account?

FOR 2024 TAX BENEFITS, START THE PROCESS BEFORE DECEMBER

When you roll over out-of-state 529 accounts to NEST, you could be eligible for 2024 tax benefits, **including a Nebraska state income tax deduction of up to $10,000[2,3]**. Make sure to start this process as early as possible, so it's completed by the December 31 tax deadline. Rollovers can take several weeks, so it's important to plan ahead. Review the various considerations with your tax and financial advisor, including any potential recapture of tax deductions received from the original state, as well as whether any penalties or charges may apply.

Visit NEST529.com/rollovers to get started.

FOLLOW US ON SOCIAL: @NEST529CollegeSavings

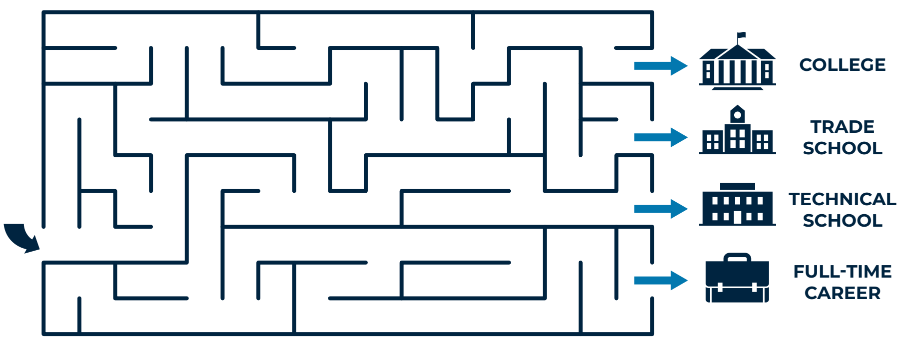
Remember: There's more than one way to use your 529 Plan.

USING NEST 529 FUNDS FOR COLLEGE, TRADE SCHOOL, AND BEYOND

What's your first thought when you hear the phrase "higher education"? If it's along the lines of a four-year institution, you're not alone. Many NEST 529 account owners started saving to plan ahead for their loved one's college education — but that's not the only path to their future dreams. Don't forget, your 529 account can also be used to cover the costs associated with trade school, technical programs, two-year community colleges, and qualified apprenticeship programs. If you're planning to go back to school yourself, set up a 529 account for your own personal use.

Little Savers Activity: Find your path

Where will their future take them? Work with your loved one to solve this maze and discover some of the paths to higher education they might take.



Nester visits the Saltdogs

Our fine-feathered friend Nester had a blast meeting fans at the Lincoln Saltdogs baseball games this summer. Want to see where Nester's headed next? Keep tabs at NEST529.com/Nester.

A holiday gift they'll remember for life.

Between gift-giving, list-checking, and planning for trips, it's easy for things like saving for higher education to slip your mind when the holidays come around. When you send your little loved one's wish list out to friends and family, you can also include a link to the child's 529 account as an alternate or additional gift option. Remember — even small contributions will help you plan for rising college costs. Visit NEST529.com/gifts to learn more or to send gifting invitations to friends and family.

[1]Withdrawals used to pay for qualified higher education expenses are free from federal and Nebraska state income tax. Qualified higher education expenses include tuition, fees, books, supplies, and equipment required for enrollment or attendance; certain room and board expenses incurred by students who are enrolled at least half-time; the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; certain expenses for special needs services needed by a special needs beneficiary; apprenticeship program expenses; and payment of principal or interest on any qualified education loan of the Beneficiary or a sibling of the Beneficiary (up to an aggregate lifetime limit of $10,000 per individual). However, earnings on all other types of withdrawals are generally subject to federal and Nebraska state income taxes, and an additional 10% federal tax. Nebraska law does not treat the following Federal Qualified Higher Education Expenses as Nebraska Qualified Expenses: K–12 Tuition Expenses. If a withdrawal is made for such purposes, although it is a Federal Qualified Withdrawal, it will be treated as a Nebraska Non-Qualified Withdrawal and may result in the recapture of a previously claimed Nebraska state income tax deduction, and the earnings portion will be subject to Nebraska state income tax. Please consult your tax professional about your particular situation.

[2]Account owners may deduct for Nebraska income tax purposes contributions they make to their own account (and any other accounts they own in the Nebraska Educational Savings Plan Trust) up to an overall maximum of $10,000 ($5,000 if married, filing separately). Contributions in excess of $10,000 cannot be carried over to a future year. For a minor owned or UGMA/UTMA 529 account, the minor is considered the account owner for Nebraska state income tax deduction purposes. The minor must file a Nebraska tax return for the year their contributions are made to be eligible for a tax deduction for their own contributions. In the case of a UGMA/UTMA 529 account, contributions by the parent/guardian listed as the Custodian on the UGMA/UTMA Plan account are also eligible for a Nebraska state tax deduction.

[3]Rollovers from another qualified tuition program are treated as a non-taxable distribution from the distributing qualified tuition program provided (1) it has been more than 12 months since any previous rollover for the beneficiary, or (2) the beneficiary of the account is changed to a Member of the Family of the current beneficiary.

NEST 529 EDUCATION SAVINGS

UBT Union Bank & Trust
Program Manager

P.O. Box 83529 | Lincoln, NE 68501 | NEST529.com