



EdvestSM

WISCONSIN'S COLLEGE
SAVINGS PLAN

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Get More of a Good Thing When Saving for College with Edvest

Edvest Raises 2021 State Tax Deduction to \$3,380

MADISON, Wis. (March 31, 2021) – Edvest, Wisconsin’s 529 College Savings Plan, is happy to announce the 2021 state tax deduction has been raised to \$3,380. Limitations apply.¹ This powerful incentive is designed to help Wisconsin families maximize their dollars while saving for higher education. Additional recent updates to the plan include the expansion of qualified education expenses to pay for certain apprenticeship costs, as well as partial student loan repayment. Edvest also announced a fee reduction, which went into effect in December 2020.

The increase in deductible taxable income will apply to contributions made to a Wisconsin college savings plan account, Edvest or Tomorrow’s Scholar during the 2021 tax year. Account owners, regardless of their relationship to a child, can now deduct up to \$3,380 annually, per beneficiary, from their Wisconsin income tax. Families who have more than one child, or grandparents saving for multiple grandchildren, may be eligible for a state tax deduction of up to \$6,760 for two children, \$10,140 for three, and so on.

Investment earnings also grow tax-deferred and are tax-free at both the state and federal level when used to pay for qualified expenses.

For the 2020 tax year, account owners have until **Thursday, April 15, 2021** to contribute to be eligible for a reduction in their taxable income of up to \$3,340.

“Helping Wisconsin families get the most from their hard-earned dollars is our top priority,” said Kathy Blumenfeld, Cabinet Secretary, [Wisconsin Department of Financial Institutions \(DFI\)](#). “Plan updates not only cover more expenses related to higher education, but also make the plan more affordable through flexible investment options, low minimum contribution levels and fees, as well as an increase in the valuable state tax deduction. Regardless of where you are in the process, Edvest is here to be your higher education savings partner.”

“I also encourage Wisconsin residents to tune in to Governor Evers’ Badger Bounceback Live Session on What’s Best for Our Kids on Thursday, April 8, 2021, at 6 p.m.,” added DFI Secretary Blumenfeld. Learn more and register to attend [here](#).

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Here are a few more reasons to start saving with Edvest today:

Carry Forward for Future Tax Benefits

Annual contributions exceeding \$3,340 in 2020 or \$3,380 in 2021 per beneficiary are eligible to carry forward until the balance is exhausted. Meaning that families who roll over balances from another 529 plan, or plan to make a large contribution from savings, an inheritance or a work bonus have the option to apply those contributions to future tax benefits.

Superfund to Accelerate College Savings

Account owners who are interested in making a larger contribution, or super funding their child's account but are concerned with how it may impact estate planning, should be aware that currently, there is no federal gift tax on contributions up to \$15,000 per year for single filers and \$30,000 for married filers.

529 plans offer a unique option to gift amounts of up to \$75,000 for single filers and up to \$150,000 for married filers, if pro-rated over five years. This allows the account owner to make a one-time gift equivalent to the five-year amount and still qualify for the federal gift tax exclusion.

It is recommended that account owners interested in super funding their accounts speak with a tax professional before doing so.

Not Just for Tuition

In addition to tuition, Edvest funds can be used for qualified higher education expenses, such as fees, room and board, books, computers and related technology at colleges, universities, technical colleges, graduate schools and certificate programs nationwide and around the world. In addition, up to \$10,000 per year may be used for tuition at private elementary and secondary schools.

New Wisconsin legislation recently expanded the definition of qualified higher education expenses to include expenses for fees, books, supplies, and equipment required for the participation of a designated beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act; and up to \$10,000 repaid (including principal and interest) on any qualified education loan of either a 529 plan designated beneficiary or their sibling. To be a qualified expense, the loan repayment amount for an individual is subject to a lifetime limit of \$10,000.

Save With One of the Best

Edvest has received numerous accolades from industry-leading sources. SavingforCollege.com recently ranked Edvest as a Top 10, 529 Plan for its five-year 529 Performance² and awarded the program a 5-Cap Rating for "outstanding flexibility, attractive investments, and additional economic benefits (such as generous state tax incentives) that for some people, at least, will provide a substantial boost to their savings."³

For more information about Edvest, including [live webinars](#) with college savings consultants, or to open an account today, please visit [Edvest.com](#). Edvest customer support is available toll-free at 1.888.338.3789 Monday through Friday from 7 a.m. to 9 p.m. Central Time.

About Wisconsin College Savings Plans

Edvest is Wisconsin's direct-sold 529 College Savings Plan designed to help families save for higher education expenses. Account owners can choose from 25 investment portfolios, access easy-to-use savings tools and take advantage of in-state tax benefits for Wisconsin residents. Effective December 1, 2020, TIAA-CREF Tuition Financing, Inc. reduced its program management fee by .01% to .07% in recognition of Edvest's plan assets reaching \$4 billion. The plan has no sales charges, enrollment fees, or annual account maintenance fees, making it among the lowest cost 529 college savings plan in the nation.⁴ As of December 31, Edvest assets totaled \$4.22 billion. This reduction in fees is expected to save Edvest College Savings Plan account owners more than \$400,000 annually.

The Tomorrow's Scholar 529 plan is Wisconsin's advisor-sold college savings plan. With over \$2.3 billion in assets as of December 31, 2020, Tomorrow's Scholar is exclusively sold through financial advisors throughout the United States and managed by Voya Investment Management. Effective March 1, 2021, the Wisconsin Department of Financial Institutions reduced its State fee on its Tomorrow's Scholar 529 program from 10 to six basis points – a 40 percent reduction in fees since 2018. In addition, Voya reduced its age-based fees by an average of 4 percent.

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¹To learn more about the Wisconsin College Savings Plan, its investment objectives, tax benefits, risks and costs, please see the Plan Description at Edvest.com. Read it carefully. Wisconsin taxpayers can qualify for a state tax deduction up to \$3,340 in 2020 and \$3,380 in 2021 per beneficiary from contributions made into a Wisconsin 529 college savings plan. 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. Withdrawals for tuition expenses at a public, private or religious elementary, middle, or high school can be withdrawn free from federal tax and Wisconsin income tax. If you are not a Wisconsin taxpayer, you should talk to a qualified advisor about how tax provisions affect your circumstances. Withdrawals for registered apprenticeship programs and student loans can be withdrawn free from federal tax and Wisconsin income tax. If you are not a Wisconsin taxpayer, you should talk to a qualified advisor about how tax provisions affect your circumstances. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss. If the funds aren't used for qualified higher education expenses, a 10% penalty tax on earnings (as well as federal and state income taxes) may apply. Consult your legal or tax professional for tax advice. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter for the Wisconsin College Savings Plan.

Neither TIAA-CREF Tuition Financing, Inc., nor its affiliates, are responsible for the content found on any external website links contained herein.

²[529 Plan Rankings Q4 2020, Savingforcollege.com, 2/18/2021](#). Edvest ranking is based on a performance score calculated by investment performance for 39 direct-sold 529 plans (5-year ranking). The Savingforcollege.com plan composite rankings are derived using the plans' relevant portfolio performance in seven unique asset allocation categories. The asset-allocation categories used are: 100 percent equity, 80 percent equity, 60 percent equity, 40 percent equity, 20 percent equity, 100 percent fixed and 100 percent short term.

The plan composite ranking is determined by the average of its percentile ranking in the seven categories. Past performance does not predict future results.

³[Savingforcollege.com, March 18, 2021](https://www.savingforcollege.com). The Edvest College Savings Plan received a 5-Cap Rating for Wisconsin residents and 4.5-Cap rating for non-residents. A 5-Cap Rating represents the attractiveness of a 529 plan, relative to all other 529 plans, by assigning an overall rating to each 529 program ranging from 1 Cap (least attractive) to 5 Caps (most attractive). 5-Cap Ratings represent an assessment based on many considerations such as flexibility, liquidity and availability, ownership rights, state benefits, investment approach and safety, program resources and financial aid impact. It is not strictly a measure of historical returns, and it is not a predictor of future investment performance, level of investment risk or financial solvency of the program funds. These ratings are not the result of a fixed formula and a significant portion of the analysis is subjective. Before establishing a 529 account and making contributions, it is imperative that investors read and understand all enrollment materials and disclosures from the programs.

⁴A total of 51 plans are ranked by Strategic Insights; 529 College Savings Quarterly Fee Analysis, Fourth Quarter 2020.

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