

# USING THE NC to Save for Your Children's



**T**riad parents who want to start saving for a child's college education should strongly consider the full-featured NC 529 Plan. Officially named the Qualified Tuition Program, the 529 Plan fixes some flaws in older education savings programs.

Winston-Salem investment advisor Tim Ebert CLU, CHFC, of Ebert Financial, notes that, "Of all the features offered by 529 plans, my clients particularly like that the donor maintains control of the funds."

"Many of the older education savings plans automatically transfer control of assets to the child when the child turns 18 or 21, depending on the plan," Ebert says. "With sudden control over a chunk of money while still young, the child may decide to finance a new car rather than pay for education."



# 529 PLAN

## Education

Vance R. Parker JD, MBA



John Barrow CPA, CFP, an advisor with Blue Rock Advisors, states that while many families are concerned that saving for college will affect eligibility for financial aid, funds in a 529 account are considered parental assets, which means that only a small amount (5.6%) of the fund's assets will be counted for financial aid.

### The NC 529 Plan conveys these benefits to donors:

- Donor retains control – The giver retains control of the funds in the account at all times. If the child does not want to go to college or graduate school, the account may be rolled over to another family member.
- Federal and NC tax benefits – The donor's investment grows tax-deferred. When it is time to make distributions for college expenses, these distributions are free from federal tax. Earnings distributed from the account are generally not subject to North Carolina income tax.
- Hassle-free investing – The donor may make contributions whenever he or she likes, or can arrange to make deposits automatically. In North Carolina, donors may pick from a variety of professionally managed funds.
- Easy set-up – Setting up the NC 529 Plan account is simple and designed to be completed in minutes.
- Minimal tax-time concerns – Tax reporting does not begin until the year that withdrawals begin.
- Minimal impact on financial aid – When applying for financial aid, only a small percentage of the account's value (about 5.6%) is factored in.

With all of these benefits, and very few faults, the NC 529 Plan should be considered first by any North Carolinian saving for college.

[www.vparkerlaw.com](http://www.vparkerlaw.com)

## Protecting Your Family Just Got Easier

*Because We Bring  
Estate Planning to You.*

Family estate planning doesn't have to be time consuming or expensive. Call Vance Parker.

He's ready to meet you at your home or office. Initial consultation is FREE.



Vance R. Parker, J.D., M.B.A.

**VANCE PARKER LAW, PLLC**  
*Estate Planning, Wills, Trusts, and Advance Directives*

336.768.0481  
[www.vparkerlaw.com](http://www.vparkerlaw.com)