

NEW:

KRITIKOS
WEALTH MANAGEMENT
OF
RAYMOND JAMES

The 529 Roadmap
to Financial Security



THE FLEXIBILITY OF 529 PLANS

TOPICS OF INTEREST

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“AN INVESTMENT IN
KNOWLEDGE PAYS THE
BEST INTEREST.”

- BENJAMIN FRANKLIN

“While it's hard to say what will happen to the costs of higher education over the next decade, it seems pretty clear many families are on their own when it comes to financing college for their children. ”

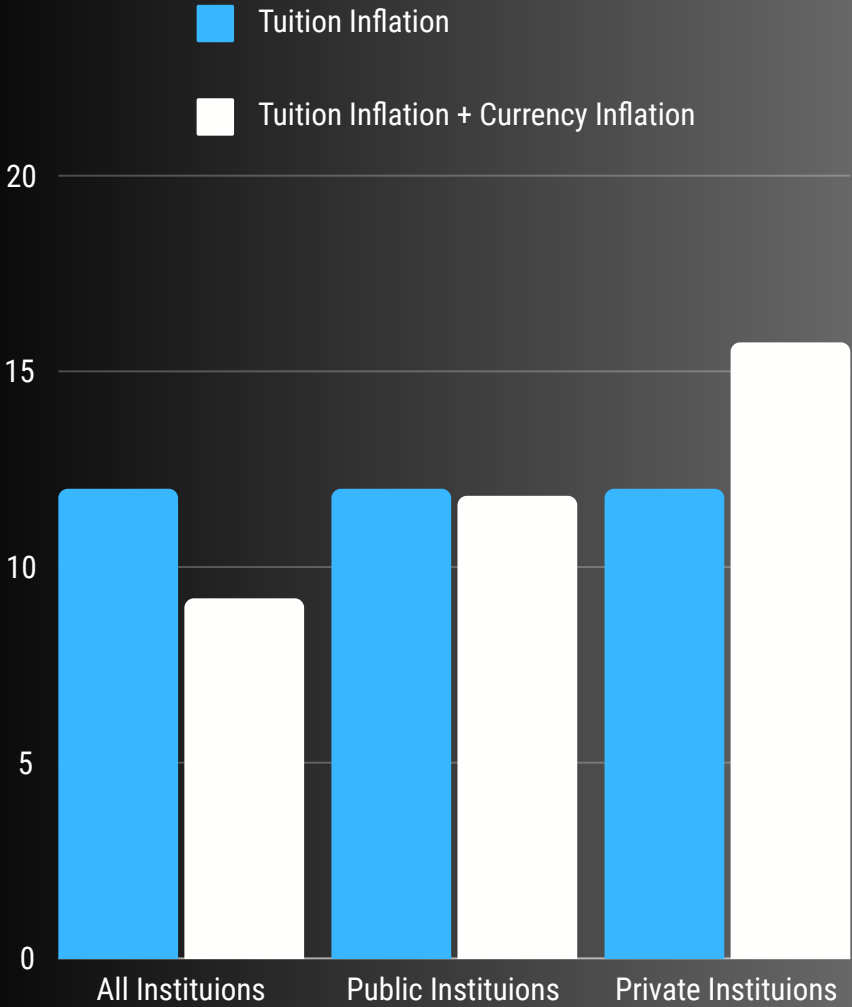
*“529 Plans Are Still The Best Way To Save For College”
Forbes, May 29th, 2023*

THE RISING COST OF TUITION

College Tuition Inflation Rates

- From 2010 to 2020, the average annual tuition inflation rate at a public 4-year college was 12%.
- Over that same period, tuition increased by 9.24%, and tuition inflation increased by 15%.
- Among public 4-year institutions, the 5-year average annual inflation rate is 17%.
- Among all postsecondary institutions, tuition increases at a 5-year average annual rate of 17%.

AVERAGE 10-YEAR INFLATION RATE & TUTION RATE CHANGE



THE SET BACKS OF STUDENT LOANS



WHILE YOU MAY NEED TO TAKE OUT A STUDENT LOAN TO PAY THE FULL COST OF YOUR EDUCATION, IT IS IMPORTANT TO CAREFULLY CONSIDER HOW YOU USE THE MONEY YOU RECEIVE.

It's critical to match your loan to your expenses and borrow as little as possible. Otherwise, mismanaged money could have a significant negative impact on your life.

"10 WAYS STUDENT DEBT CAN DERAIL YOUR LIFE"
INVESTOPEDIA BY TERRI WILLIAMS DECEMBER 29TH, 2023



10 WAYS STUDENT DEBT CAN DERAIL YOUR LIFE

- IMPACT ON GRAD SCHOOL
- CHALLENGES BUYING A HOME
- CHALLENGES RENTING
- LOWERED NET WORTH
- DELAYED CAREER GOALS

- CREDIT SCORE DAMAGE
- PERMANENT DEBT
- BEING DISQUALIFIED FOR A JOB
- SEIZURE OF YOUR FUNDS
- A HIGHER DEFAULT RATE

“10 WAYS STUDENT DEBT CAN DERAIL YOUR LIFE”
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THE POWER OF COMPOUNDING INTEREST

Compound interest is interest that applies not only to the initial principal of an investment or a loan, but also to the accumulated interest from previous periods. In other words, compound interest involves earning, or owing, interest on your interest.

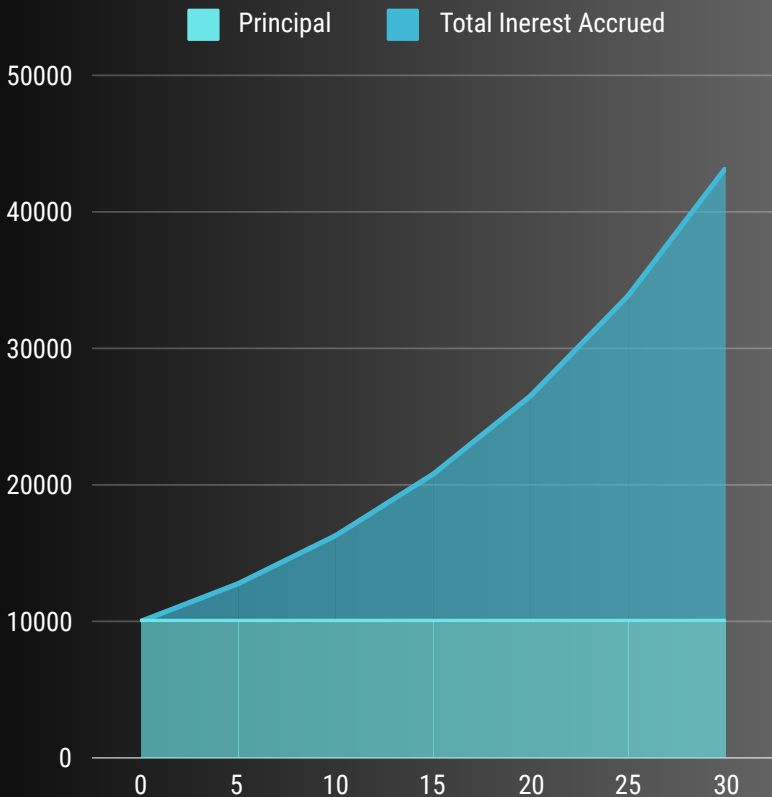
Young people often neglect to save for retirement. They may have other expenses they feel more urgent with more time to save. Yet the earlier you start saving, the more compounding interest can work in your favor, even with relatively small amounts.

“The Power of Compounding Interest”

Investopedia By Jas Fernando February 28, 2024

HOW COMPOUND INTEREST GROWS OVER TIME

IF YOU INVESTED \$10,000 WHICH COMPOUNDED ANNUALLY AT 5%, IT WOULD BE WORTH OVER \$40,000 AFTER 30 YEARS, ACCRUING OVER \$30,000 IN COMPOUNDED INTEREST.



QUALIFIED WITHDRAWALS


WAYS YOU CAN SPEND THE MONEY SAVED

FUNDS CAN BE USED NATIONWIDE AT MOST ACCREDITED SCHOOLS:

- UNIVERSITIES (PUBLIC OR PRIVATE)
- COMMUNITY COLLEGES
- TRADE AND VOCATIONAL SCHOOLS
- GRADUATE SCHOOLS

Qualified college costs include:

- Tuition and fees
- Room and Board
- Books, Supplies, and Equipment
- Computer and required software
- Special needs services for a special needs beneficiary
- Apprenticeship Program Expenses
- Repayment of qualified education loans



USE 529 PLANS TO TARGET
CRITICAL EDUCATION
EXPENSE POINTS



Books, Equipment, and Room & Board, as part of your comprehensive financial plan for your beneficiary.

“GIVE ME SIX HOURS TO
CHOP DOWN A TREE
AND I WILL SPEND THE
FIRST FOUR
SHARPENING THE AXE.”

10

— ABRAHAM LINCOLN

CONTRIBUTIONS & GIFTS

There is no minimum, that can be made as contributions to the account. These contributions are made in cash. Anyone can contribute to an account, but only the account owner can control how the assets are invested and used, (2) designate a beneficiary, and (3) claim tax benefits related to the account.

Gifts to a 529 account as a contribution are allowed up to \$18,000 for 2024 per persons, per year with no gift tax ramifications. Couples filing married jointly, can gift up to \$36,000 for 2024 per persons, per year with no gift tax ramifications.





THE FIVE YEAR RULE

In addition, if your total contributions to an account for a beneficiary during a single year exceed the annual exclusion for that year, you may elect to have the amount you contributed that year treated as though you made one-fifth of the contribution that year.

THIS MEANS:

YOU MAY CONTRIBUTE UP TO \$85,000 IN A SINGLE YEAR TO AN ACCOUNT WITHOUT THE CONTRIBUTION BEING CONSIDERED A TAXABLE GIFT, PROVIDING THAT YOU MAKE NO OTHER GIFTS TO THE BENEFICIARY IN THE SAME YEAR IN WHICH THE CONTRIBUTION IS MADE AND IN ANY OF THE SUCCEEDING FOUR CALENDAR YEARS.

THE ROLLOVER OPTION FROM 529 TO ROTH IRA

Now that its 2024, 529 account holders are able to transfer up to a lifetime limit of \$35,000 to a ROTH IRA, for the beneficiary.

LIMITATIONS

- The 529 plan must be held for the designated beneficiary for at least 15 years.
- The amount transferred from the 529 account to a ROTH IRA in the applicable year, together with all other contributions in such year to IRA's for the same beneficiary, must not exceed the ROTH IRA annual contribution limit applicable to such beneficiary
- The transfer amount must come from contributions made to the 529 account at least 5 years prior to the transfer date and the aggregate amounts transferred from 529 accounts to all Roth IRA's must not exceed \$35,000 per beneficiary



TRANSFERRING ASSETS EXAMPLE A 529 TO A ROTH IRA

IRA CONTRIBUTION LIMIT: \$7,000 FOR 2024
ROLLOVER TO ROTH IRA REMAINING 529 ASSETS

Year	Rollover to Roth IRA	ROTH IRA Balance
Year 1	\$7,000	7,000
Year 2	\$7,000	14,000
Year 3	\$7,000	21,000
Year 4	\$7,000	28,000
Year 5	\$7,000	<u>35,000</u>

BUILDING FINANCIAL SECURITY FOR YOUR BENEFICIARY

Over time \$35,000 can provide a significant boost to your beneficiary's retirement savings.

ROTH IRA - Retirement Benefits

- Earnings and gains grow tax free
- Distributions are tax free and penalty-free as long your account meets the five-year rule and the withdrawal is:
 - Made on or after the date you turn 59½
 - Taken because you have a permanent disability
 - **Used to buy, build, or rebuild your first home for which a \$10,000-lifetime maximum applies.**

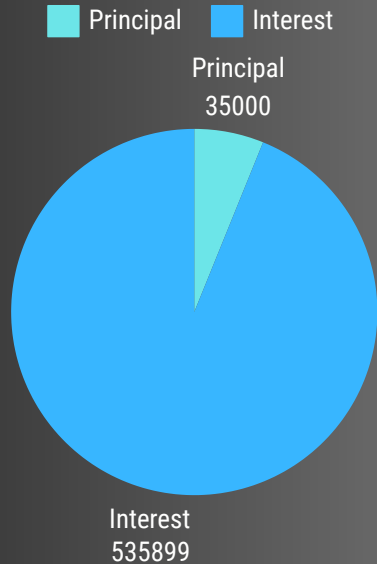
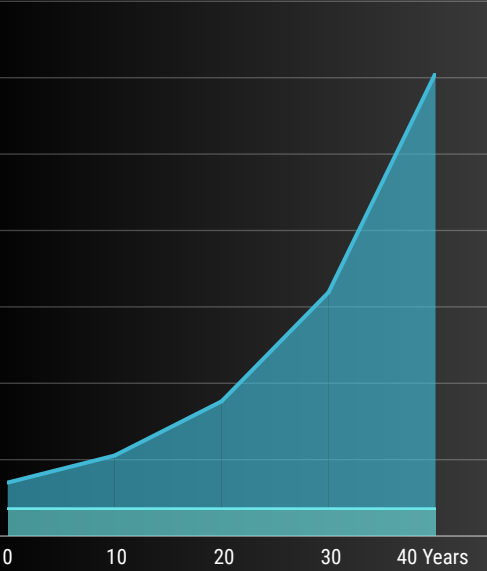
ROTH IRA - 5 Year Rule

It's been at least five years since you first contributed to any Roth IRA

ROTH IRA ASSETS OVER TIME



■ Principal ■ Principal + Interest



THIS HYPOTHETICAL EXAMPLE ILLUSTRATES THE POTENTIAL VALUE OF YEARLY TRANSFERS TO A ROTH IRA FOR 5 YEARS AND ASSUMES AN AVERAGE ANNUAL RETURN OF 7%. THIS DOES NOT REFLECT AN ACTUAL INVESTMENT AND DOES NOT REFLECT ANY TAXES, FEES, EXPENSES, OR INFLATION. IF IT DID, RESULTS WOULD BE LOWER. RETURNS WILL VARY, AND DIFFERENT INVESTMENTS MAY PERFORM BETTER OR WORSE THAN THIS EXAMPLE. PERIODIC INVESTMENT PLANS DO NOT ENSURE A PROFIT AND DO NOT PROTECT AGAINST LOSS IN A DECLINING MARKET. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.





NEBRASKA 2024 INCOME TAX BRACKET AND RATES

Bracket Number	Single	Married Filing Jointly	Tax Rate
1	\$0 - \$2,999	\$0 - \$5,999	2.46%
2	\$3,000 - \$17,999	\$6,000 - \$35,999	3.51%
3	\$18,000 - \$28,999	\$36,000 - \$57,999	5.01%
4	\$29,000 and over	\$58,000 and over	5.84%



SAVING WITH A NEST 529 PLAN GIVES YOUR THREE ATTRACTIVE TAX ADVANTAGES

1. ASSETS ARE TAX-DEFERRED WHILE IN THE PLAN
2. FUNDS ARE FREE FROM FEDERAL AND NEBRASKA INCOME TAX WHEN USED FOR QUALIFIED COLLEGE COSTS
3. ACCOUNT OWNERS CAN QUALIFY FOR A NEBRASKA STATE INCOME TAX DEDUCTION FOR THEIR CONTRIBUTIONS

 UP TO \$10,000
PER YEAR 



KRITIKOS WEALTH MANAGEMENT
A FAMILY LEGACY

ACTING TO A FIDUCIARY STANDARD
WITH A COMBINED 35 YEARS OF
FINANCE EXPERIENCE IN BANKING
AND WEALTH MANAGEMENT

DISCLOSURES

AS WITH OTHER INVESTMENTS, THERE ARE GENERALLY FEES AND EXPENSES ASSOCIATED WITH PARTICIPATION IN A 529 PLAN. THERE IS ALSO A RISK THAT THESE PLANS MAY LOSE MONEY OR NOT PERFORM WELL ENOUGH TO COVER COLLEGE COSTS AS ANTICIPATED. MOST STATES OFFER THEIR OWN 529 PROGRAMS, WHICH MAY PROVIDE ADVANTAGES AND BENEFITS EXCLUSIVELY FOR THEIR RESIDENTS. INVESTORS SHOULD CONSIDER, BEFORE INVESTING, WHETHER THE INVESTOR'S OR THE DESIGNATED BENEFICIARY'S HOME STATE OFFERS ANY TAX OR OTHER BENEFITS THAT ARE ONLY AVAILABLE FOR INVESTMENT IN SUCH STATE'S 529 COLLEGE SAVINGS PLAN. SUCH BENEFITS INCLUDE FINANCIAL AID, SCHOLARSHIP FUNDS, AND PROTECTION FROM CREDITORS. THE TAX IMPLICATIONS CAN VARY SIGNIFICANTLY FROM STATE TO STATE. RAYMOND JAMES AND ITS ADVISORS DO NOT OFFER TAX OR LEGAL ADVICE. YOU SHOULD DISCUSS ANY TAX OR LEGAL MATTERS WITH THE APPROPRIATE PROFESSIONAL. THE INFORMATION HAS BEEN OBTAINED FROM SOURCES CONSIDERED TO BE RELIABLE, BUT WE DO NOT GUARANTEE THAT THE FOREGOING MATERIAL IS ACCURATE OR COMPLETE, IT IS NOT A COMPLETE SUMMARY OR STATEMENT OF ALL AVAILABLE DATA NECESSARY FOR MAKING AN INVESTMENT DECISION AND DOES NOT CONSTITUTE A RECOMMENDATION. INVESTING INVOLVES RISK AND YOU MAY INCUR A PROFIT OR LOSS REGARDLESS OF STRATEGY SELECTED. PRIOR TO MAKING AN INVESTMENT DECISION, PLEASE CONSULT WITH YOUR FINANCIAL ADVISOR ABOUT YOUR INDIVIDUAL SITUATION.

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RAYMOND JAMES & ASSOCIATES, INC., MEMBER NEW YORK STOCK EXCHANGE/SIPC.

THANK YOU

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