



Donald Rohner, A.W.M.A.
First Vice President -
Investments
1717 Arch Street
21st Floor
Philadelphia, PA 19103
215-665-6388
800-526-6397
drohner@janney.com



What happens if my child finishes college and there is money left over in the 529 account?

What happens if my child finishes college and there is money left over in the 529 account?

Answer:

If you withdraw the money that is left over in your 529 account and don't use it to pay for the beneficiary's qualified higher education expenses, you'll have to pay a federal penalty tax of 10 percent on the earnings portion of the withdrawal (a state penalty may apply as well). You may also have to pay federal, and in some cases state, income taxes on the earnings portion of the withdrawal.

However, if you have money left over in your account, withdrawing it and paying a penalty isn't your only option. All 529 plans allow the account owner to change the beneficiary without penalty (although depending on the plan, there may be a fee for this service). In addition, you may be able to receive a "rollover" distribution from your 529 plan and recontribute the proceeds within 60 days to the same or a different state's program with a new beneficiary. Keep in mind that in both instances the new beneficiary must be a qualifying family member, or taxes and a penalty will be due.

Note: Investors should consider the investment objectives, risks, charges, and expenses associated with 529 plans before investing. More information about 529 plans is available in each issuer's official statement, which should be read carefully before investing. Also, before investing, consider whether your state offers a 529 plan that provides residents with favorable state tax benefits.

Janney Montgomery Scott LLC Financial Advisors are available to discuss the suitability and risks involved with various products and strategies presented. We will be happy to provide a prospectus, when available, and other information upon request. Please note that the information provided includes reference to concepts that have legal, accounting and tax implications. It is not to be construed as legal, accounting or tax advice, and is provided as general information to you to assist in understanding the issues discussed. Neither Janney Montgomery Scott LLC nor its Financial Advisors (in their capacity as Financial Advisors) give tax, legal, or accounting advice. We would urge you to consult with your own attorney and/or accountant regarding the application of the information contained in this letter to the facts and circumstances of your particular situation.

Janney Montgomery Scott LLC, is a full-service investment firm that is a member of the NYSE, the FINRA and SIPC.



Donald Rohner, A.W.M.A.
First Vice President -
Investments
1717 Arch Street
21st Floor
Philadelphia, PA 19103
215-665-6388
800-526-6397
drohner@janney.com