

North Dakota's 529 College Savings Plan



**We help little ones
with big plans.**

529s: A smart way to save for college.

[Enroll Now](#)

College **SAVE**[™]

Bank of North Dakota's 529 Plan

Get educated

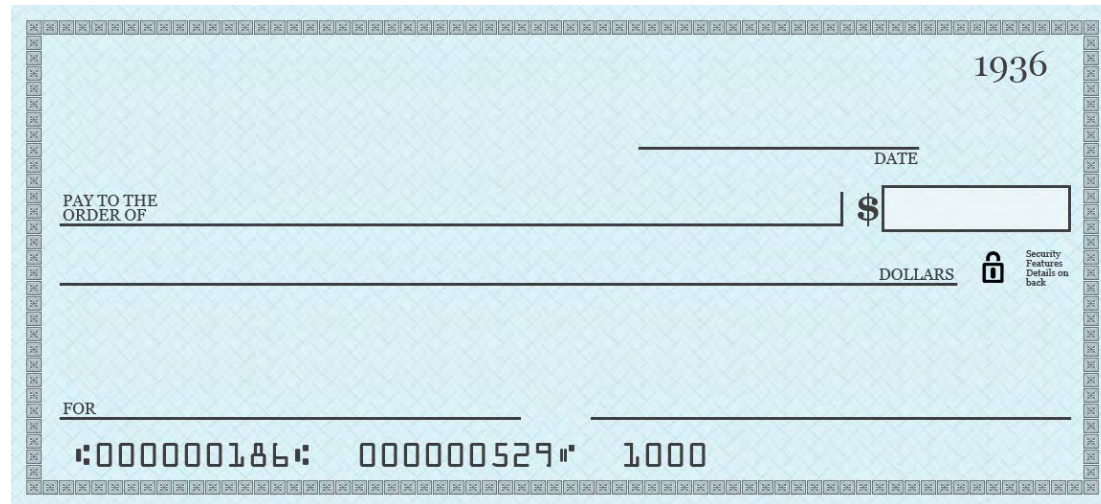
Sign up for email updates to learn more
about saving with College SAVE.

Sign up



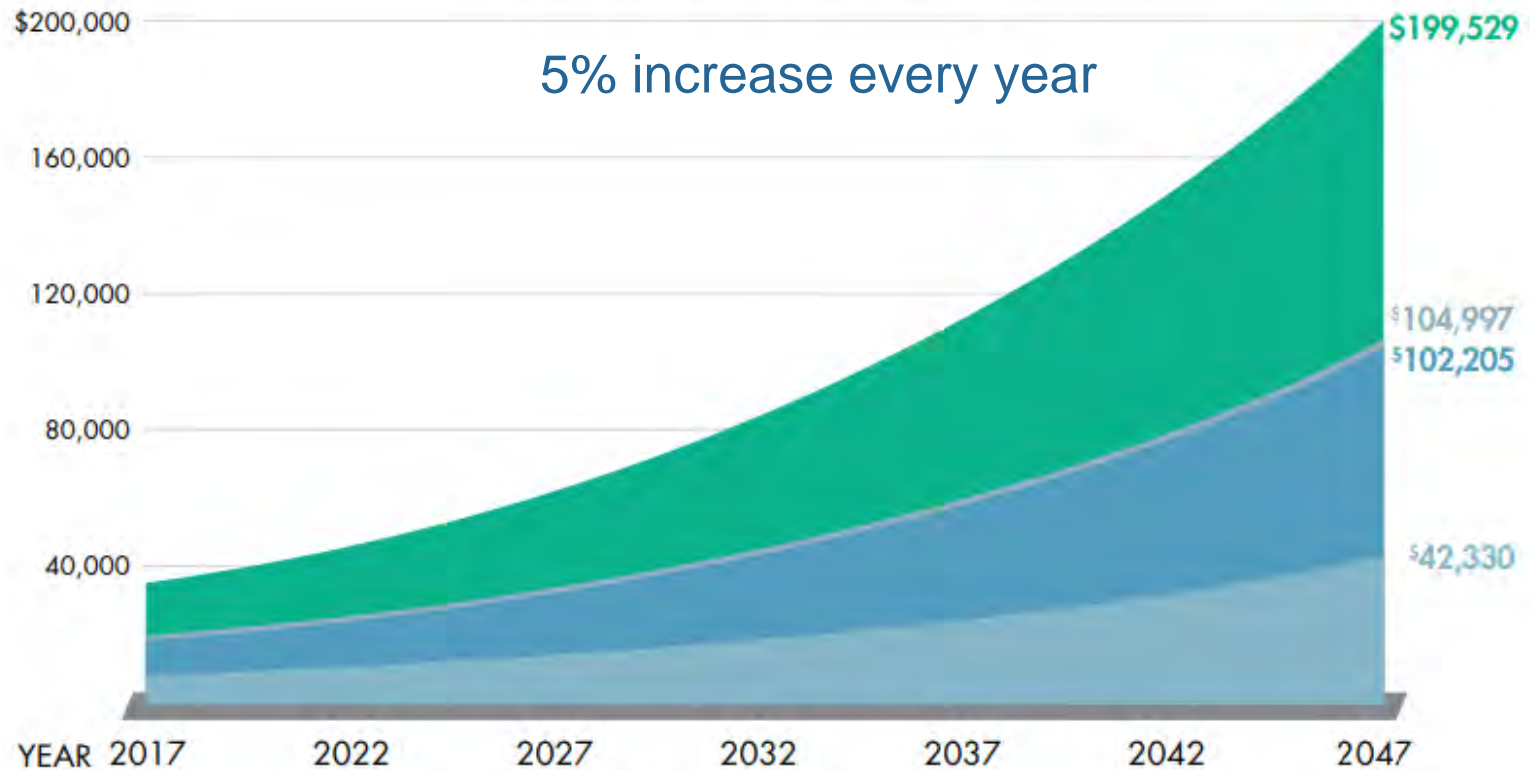
- The Cost of College
- How College SAVE can help
- Investment Choices
- How to save more
- Updates

The cost of college



Tuition costs are rising

5% increase every year



Public ND Colleges

Public US Colleges

Private ND Colleges

Private US Colleges

Costs based on College Board: *Trends in College Pricing, 2017* and North Dakota resident on-campus budgets for 2017-2018. Future costs based on initial costs from this source have been computed using a 6% annual inflation rate to provide a closer comparison with overall U.S. costs.

College Board: *Trends in College Pricing, 2017*.

Bank of North Dakota College Handbook: 2017-2018.

...There is a solution

529 plans provide **tax-deferred** earnings for the life of the investment and tax-free qualified withdrawals*



* Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

Program administered by



Program managed by
Ascensus Government Savings



Investments managed by
The Vanguard Group



Smart with My Money

- *North Dakotans, get smart with your money. Your money personality. Your money needs. Your tips to do better.* SmartWithMyMoney.nd.gov.
 - Given the magnitude and profound consequences of financial illiteracy, the State of North Dakota has initiated and developed a free financial literacy resource for the benefit of all North Dakotans.
 - Goal: Make North Dakota the most financially literate state in the nation by 2027.



Scholarships (Dollar for Scholars)

- Dollars for Scholars is a state-wide organization providing scholarship opportunities to North Dakota students. There are Dollars for Scholars chapters in many local communities as well as a state chapter at Bank of North Dakota. More than \$32.2 million has been raised by chapters with money awarded to over 25,000 students. For more information or to start a local chapter go to www.northdakota.dollarsforscholars.org.

DEAL Student Loan

- DEAL Student Loan is North Dakota's state-sponsored student loan program that offers variable and fixed interest rates with no fees to North Dakota residents attending an accredited college anywhere in the U.S. and to out-of-state residents attending a North Dakota college. To learn more, visit www.bnd.nd.gov/education-funding/apply-for-student-loan/deal-student-loan/.

DEAL Student Loans

- **Highlights:**

- North Dakota state-sponsored student loan program.
- For education beyond high school, including dual credit in high school.
- BND pays the fee.
- Locally serviced at BND.

- **Borrower Eligibility:**

- You must be a North Dakota resident attending an in-state or out-of-state school or an out-of-state resident attending a North Dakota school.
- You must be at least 16 years of age.
- You must be a U.S. citizen.
- You must not be delinquent or in default on a student loan.
- You must be attending an eligible school.
- School must certify you are meeting satisfactory academic progress and certify enrollment eligibility and status.
- You must complete the FAFSA if you will be attending school at least half-time.
- Your credit will be evaluated to determine if the application can be approved. A creditworthy cosigner is needed if you do not meet BND's credit criteria.

- **Loan Limits:**

- Undergraduate: up to \$60,000
- Graduate students: can apply for an additional \$60,000

- **Competitive Interest rates:** (Rates valid through 06/30/2024)

- Variable rate = 6.83%
 - Variable rates have lifetime cap of 10%
- Fixed rate = 6.66%

DEAL One Loan Program (Refinance Option for Student Loans)

- **Borrower Eligibility:**

- You must be a North Dakota resident to consolidate DEAL and eligible non-DEAL alternative education loans.
- Loans must be in a status of grace or repayment (repayment includes loans in deferment and forbearance).
- You must be at least 16 years of age.
- You must be a U.S. citizen.
- You must not be delinquent or in default on a student loan.
- Your credit will be evaluated to determine if the application can be approved. A creditworthy cosigner will be required if you do not meet BND's credit criteria.

- **Eligible Loans:**

- All student loans - DEAL, DEAL Consolidation Loans (DCL), outside eligible private student loans and federal loans

- **Competitive Interest rates:** (Rates valid through 06/30/2024)

- Variable rate = 6.83%
 - The variable interest rate includes a special guarantee: the rate will not increase by more than 1% per year and is capped at 10%.
- Fixed rate = 6.66%

- **Fees:**

- BND pays the fee.

- **Consolidation Reasons:**

- Lower interest rate.
- Lower monthly payment.
- Pay loan(s) off faster.
- One local lender.

How College SAVE can help



TOP 5

College SAVE benefits

5. Significant federal and state tax advantages
4. Broad eligibility and flexibility
3. Pay for more than just higher education expenses
2. Low fees and minimums
1. Three Match Programs totaling \$600

Federal and state income tax-deferred growth



- Earnings grow federal and state income **tax deferred** until withdrawn.*
- Withdrawals for tuition, fees, certain room and board costs, computers, books, and required supplies are all **qualified expenses**.

* Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

Student loan repayment

- Lifetime \$10,000 for the plan beneficiary and per each of the beneficiary's siblings

Apprenticeship Programs

- Fees
- Textbooks
- Supplies
- Equipment, including tools required for trades



SECURE 2.0

- Rollover 529 Plan Assets to beneficiary ROTH IRA
- The 529 plan account must be open for 15 or more years.
- Contributions and associated earnings that you transfer to the Roth IRA must be in the 529 plan account for more than 5 years.
- IRA regulations permit a lifetime maximum amount of \$35,000 per designated beneficiary to be rolled over from 529 plan accounts to Roth IRAs.

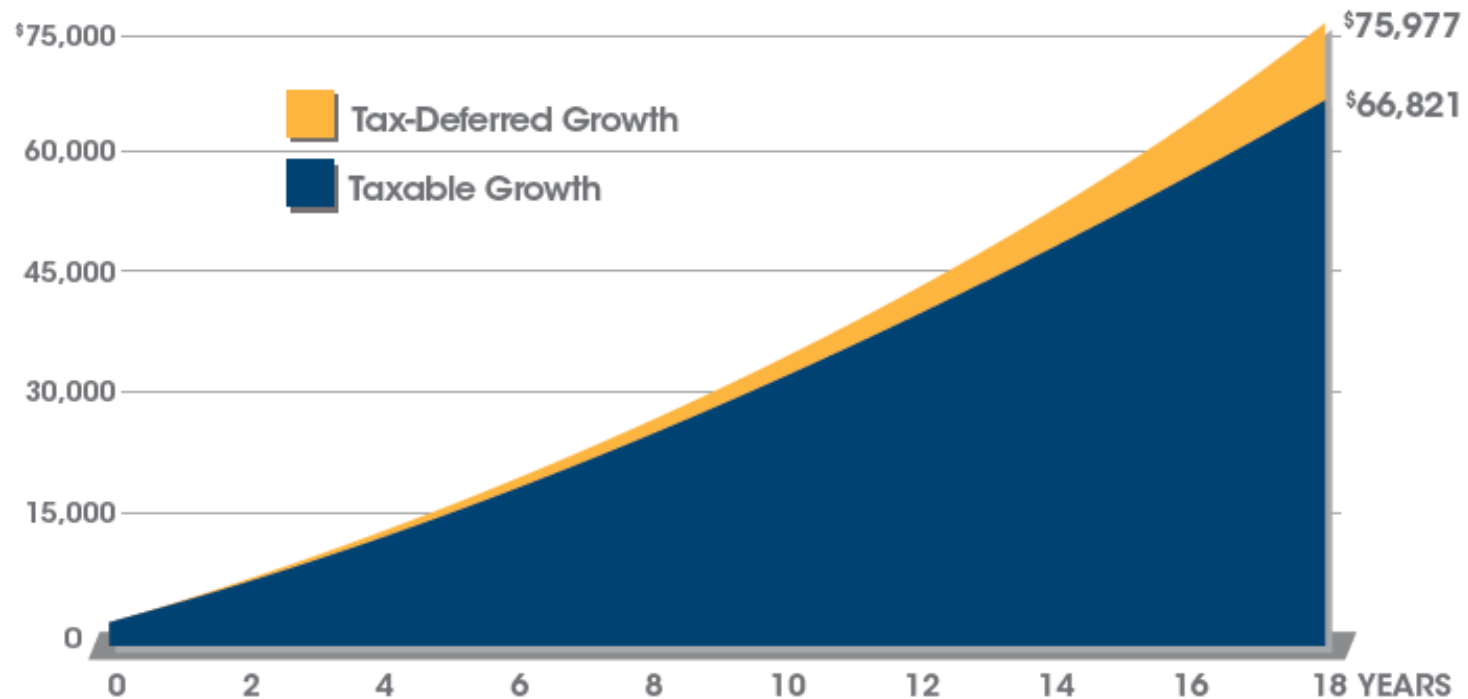
Where College SAVE can be used

- Any eligible post-secondary institution in the U.S. and abroad, includes public and private colleges and universities, 2- and 4-year programs, and vocational schools
- Expenses also include tuition of up to \$10,000 per student per year for attendance at an elementary or secondary public, private, or religious school (K-12) in ND



Tax advantages can make your dollars grow faster

Year after year, the unique tax advantages of 529 plans can help your child go further on the path to a college education



Assumptions: \$2,500 initial investment with subsequent monthly investments of \$200 for a period of 18 years; annual rate of return on investment of 5% and no funds withdrawn during the time period specified; taxpayer has a 24% Federal income tax rate for all options at the time of contributions and distribution. This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or any taxes payable upon distribution. Actual investment returns may be higher or lower than those shown.



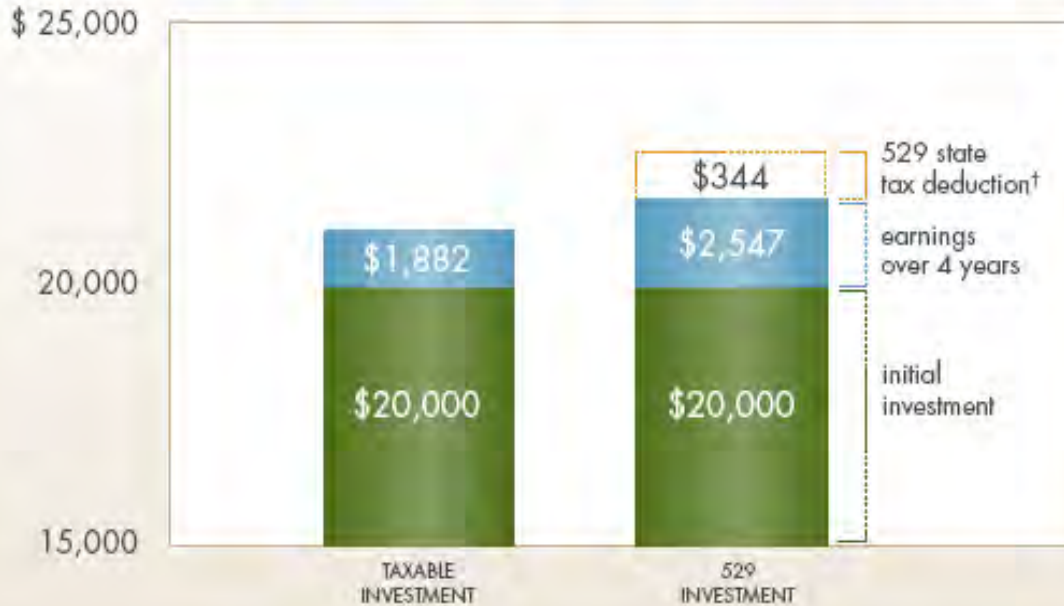
The only 529 plan in the U.S. that offers ND taxpayers a state tax deduction

- Single individuals: Deduct up to \$5,000 from state taxable income for qualified contributions each year.*
- Married couples filing jointly: Deduct up to \$10,000 from state taxable income for qualified contributions each year.*

* Rollovers from another state's 529 plan are not considered eligible for the state income tax deduction.

Even conservative investments add up...

THE 529 PLAN DIFFERENCE: \$20,000 INVESTED FOR COLLEGE



\$20,000, 3% return, 4 years

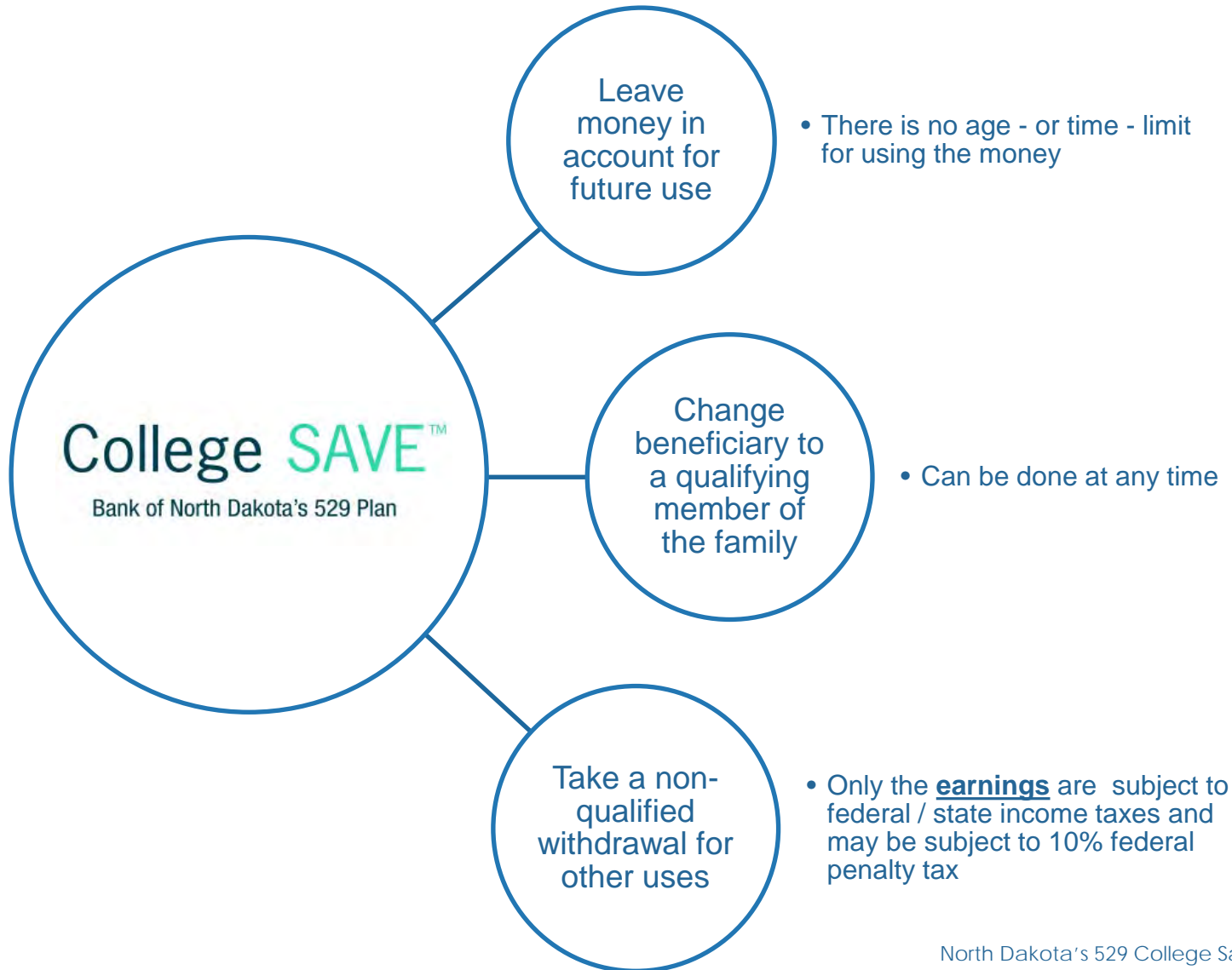
College SAVE	\$22,547
Other investment	\$21,882

You earn \$700 more and save \$344 in taxes† with College SAVE!

Assumptions: This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan, the effect of fees and expenses, or any taxes payable upon withdrawal. For all options at the time of contributions, distribution, and deduction, taxpayer is in the 24% federal income tax bracket, is subject to the North Dakota state marginal tax rate of 3.44%, and has taxable income of \$100,000. Please consult your tax advisor. Actual investment returns may be higher or lower than that shown and are not guaranteed.

† State tax savings may increase federal income taxes. Please consult your tax advisor for more information.

What if my student doesn't go to college?



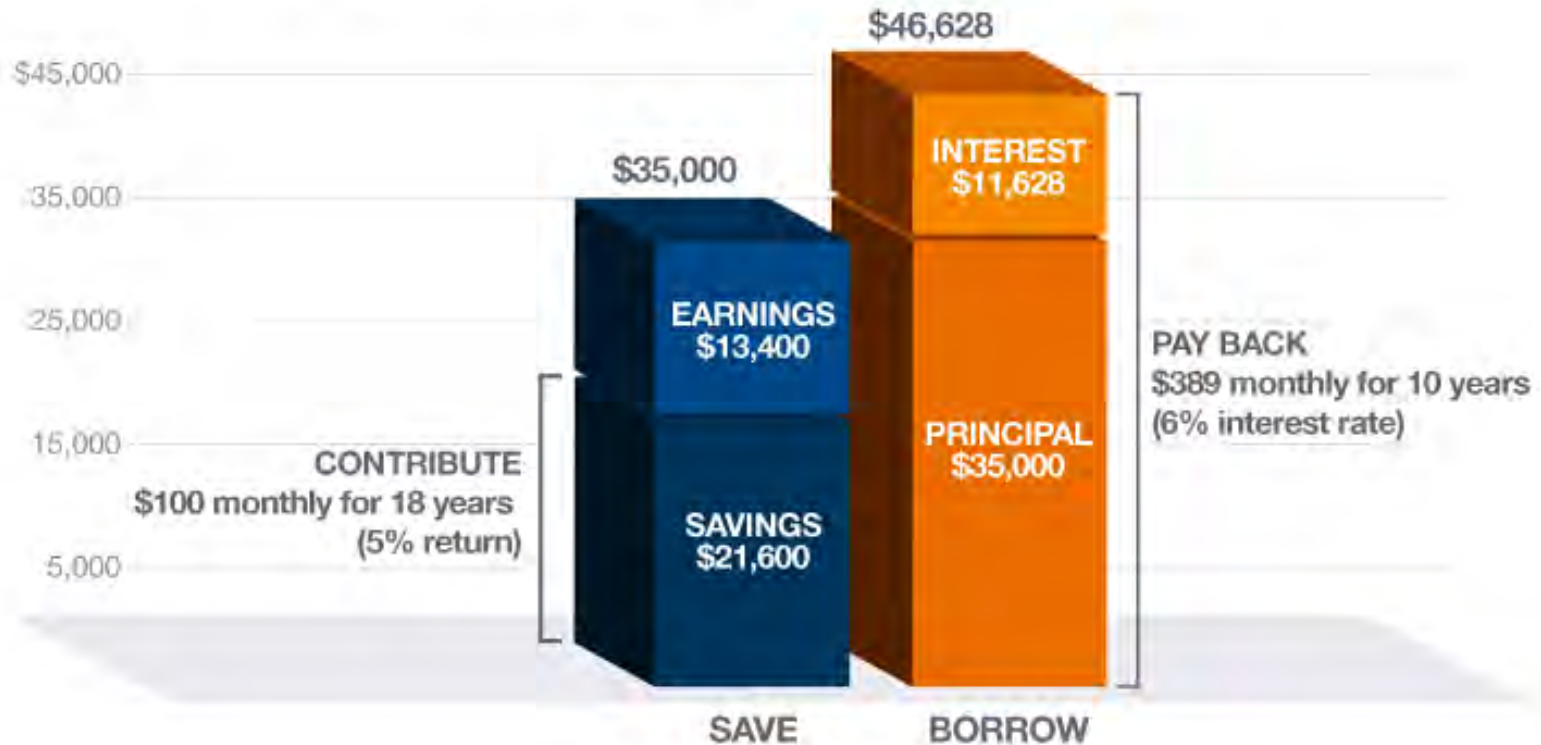
Low fees, Low minimums, and High maximum

- Annual maintenance fees waived for ND residents and beneficiaries
 - Out-of-state participants pay only \$20 per year
- Low management fee: 0.48% of your investment annually
- Low minimum contribution amounts
 - \$25 for initial and ongoing contributions (EFT or check) or \$12.50/pay period.
- High maximum contribution limit
 - Contribute until the total balance of all Program accounts for the same beneficiary reaches the aggregate maximum of \$269,000 (earnings can continue to accrue after reaching the maximum)

Who needs college?



\$35,000 For College: SAVE or BORROW?



This hypothetical example is for illustrative purposes only and assumes no withdrawals made during the period shown. It does not represent an actual investment in any particular 529 plan and does not reflect the effect of fees and expenses or any taxes payable upon withdrawal. Your actual investment return may be higher or lower than that shown and is not guaranteed. The loan repayment terms are also hypothetical.

The graduating class in ND had an average of \$31,939 in student loan debt.

- 66% of graduates had debt
- 27% of graduates in North Dakota have private debt



* 7 of 14 reporting North Dakota Colleges, the institute for College Access and Success, 2020.

Two options to enroll

Direct

- Account owners sign up directly
 - Online – www.collegesave4u.com
 - Paper Application



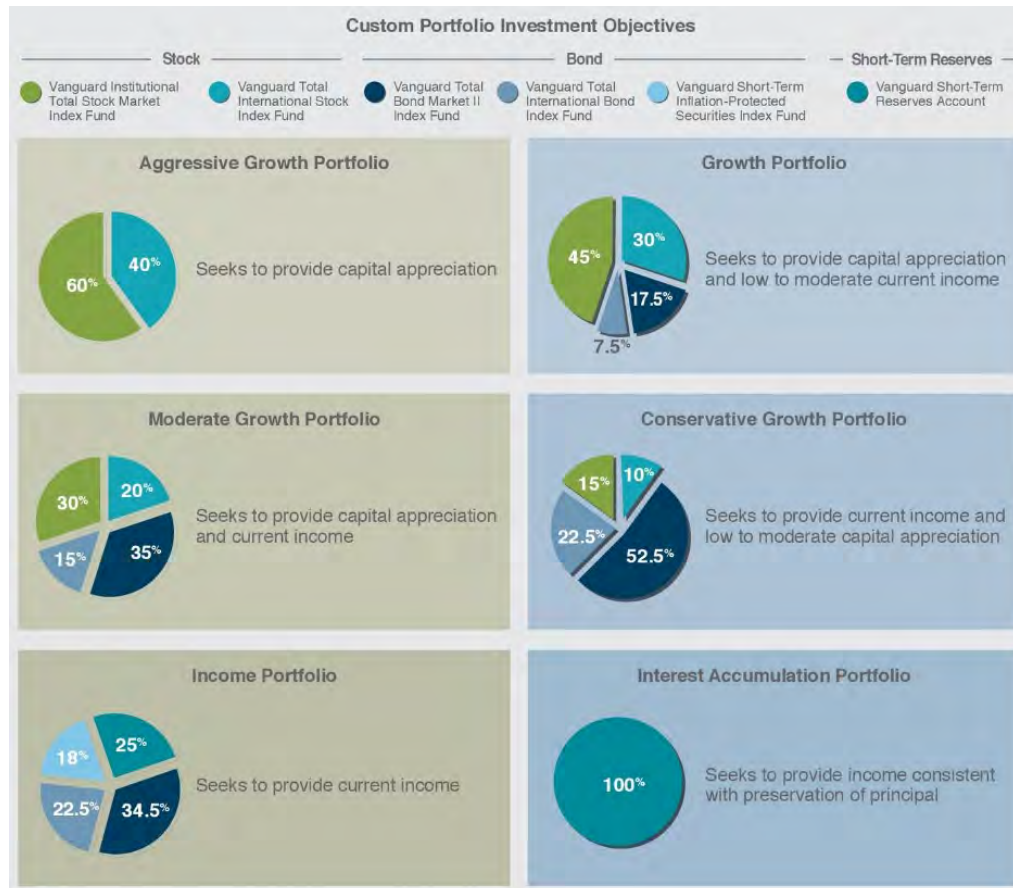
Financial Advisor

- Over 450 North Dakota advisors
- Nearly 60 firms and growing!

Investment Choices



6 Vanguard individual portfolios



*The Plan's Portfolios, although they invest in mutual funds, are not mutual funds. Units of the Portfolios are municipal fund securities and the value of units will vary with market conditions.

**You could lose money by investing in a portfolio which includes the Vanguard Short-Term Reserves Account which in turn invests in the Vanguard Federal Money Market Fund. Although the money market fund in which your investment option invests (the "underlying fund") seeks to preserve its value at \$1.00 per share, the underlying fund cannot guarantee it will do so. An investment in this investment option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The underlying fund's sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

Age-based options



How to save more!

NEW BABY MATCH:

Any North Dakota newborn has until they turn 12-months old to qualify for New Baby Match

- BND will match contributions up to \$200 for the baby. You have 12 months from when the account is open to meet the match.

KINDERGARTEN KICKOFF MATCH:

Any North Dakota kindergartener age 5 or 6 is eligible for \$100 match. Contributions must occur within the first 12 months or before the child turns 7 (whichever comes first).

There are NO income requirements to qualify for either match. You must contribute each amount in order to receive the full match in each program.

Account owners may qualify for ALL Match Programs!

- New Baby Match and Kindergarten Match are always funded first and then the \$300 BND Match



* Programs may be subject to certain limitations by Bank of North Dakota. In addition, grant programs are subject to the availability of funds and can be modified, reduced or stopped at Bank of North Dakota's discretion.

- College SAVE investors who are ND residents may qualify for a match up to \$300 from BND*
- Grandparents may qualify for the match due to lower retirement income

Your adjusted gross income (previous tax year):	You are eligible for:
\$0-\$150,000 if married filing jointly or \$0-100,000 if single	One time match of \$300

Your beneficiary – the person you are saving for – must be 15 years old or younger.

* Grant programs may be subject to certain limitations by Bank of North Dakota. In addition, grant programs are subject to the availability of funds and can be modified, reduced or stopped at Bank of North Dakota's discretion.

- Innovative, automated online program allows College SAVE participants to invite family and friends to contribute to a child's 529 plan
- Perfect for any event in a child's life
- Excellent way to encourage gift contributions to boost 529 savings*

Here's how to build college savings with Ugift:



1 Suggest a 529 gift contribution to family and friends



2 They send a contribution



3 Those gifts are invested in your account

“Finally, a birthday gift that’s fiscally responsible.”

- *Kiplinger's Personal Finance* magazine, September 2008

*Contributions are subject to a \$25 minimum, and certain terms and conditions apply. Please see Plan Disclosure Statement for more details.

Manage your education savings
with **READYSAVE529**



Download **READYSAVE 529** to:

- Securely access your 529 plan account
- Check your account balance, transaction history, and investment allocations
- Add money to your balance as a one-time or recurring contribution
- See how your savings stack up to others in your plan
- Easily invite friends and family to help give your savings a boost

Additional savings with Upromise® Rewards

Upromise is a free, optional service*

- Join Upromise collegesave4u.com
- Register credit, debit, grocery, and drug store cards
- Qualified purchases = money for college
- Link your Upromise account to your College SAVE account; earnings transfer automatically - \$25 minimum



Hundreds of leading companies can help you save for college



* Upromise is an optional service offered by Upromise, Inc., an affiliate of Upromise Investments, Inc. It is separate from the College SAVE Plan and is not affiliated with the State of North Dakota and Bank of North Dakota. Specific terms and conditions apply. Participating companies, contribution levels, terms and conditions subject to change without notice. Transfers subject to \$25 minimum.

No Guarantee & Other Important Program Disclosures

For more information about North Dakota's College SAVE Plan (College SAVE), call 1-866-SAVE-529 (1-866-728-3529) or visit www.collegesave4u.com to obtain a Plan Disclosure Statement. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Disclosure Statement; read and consider it carefully before investing.

Please Note: Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.

College SAVE is a 529 plan established by the State of North Dakota. Bank of North Dakota (Bank) acts as trustee of College SAVE Trust, a North Dakota Trust, and is responsible for administering College SAVE Trust and College SAVE. Ascensus Broker Dealer Services, LLC, the Plan Manager, and its affiliates, have overall responsibility for the day-to-day operations of College SAVE, including recordkeeping and marketing. The Vanguard Group, Inc. (Vanguard) provides underlying investments for the Plan. College SAVE's Portfolios, although they invest in mutual funds, are not mutual funds. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns are not guaranteed and you could lose money by investing in College SAVE. Participants assume all investment risks, including the potential for loss of principal, as well as responsibility for any federal and state consequences. responsibility for any federal or state tax consequences.

Ugift is a registered service mark of Ascensus Broker Dealer Services, LLC.

Upromise and the Upromise logo are registered service marks of Upromise, Inc.

- Visit www.collegesave4u.com to learn more about the Plan, request an information kit, and enroll online in just 10 minutes
- Call **1-866-728-3529** to speak with a Plan representative
 - Monday through Friday, 8 a.m. to 8 p.m.
- Questions?