

	*Tax Considerations	Contribution Limit	Allowable Use	Contributor Control over assets	Rollovers to family members
<b>Investment Accounts</b>					
<b>Custodial Accounts</b>  -UGMA -UTMA	First \$750 investment income is tax-free for children under 14; next \$750 is taxed at the child's tax rate. Excess is taxed at the parent's rate.	Up to \$11,000 without incurring federal gift tax.	Unlimited (must be for benefit of child and not used for food, clothing etc.)	Custodian has full control only until beneficiary reaches legal age of majority.	N/A
<b>Qualified Tuition Programs (Section 529)</b>	Distributions from these plans excluded from income if used for qualified education expenses. Special gifting rules may apply.	Limits vary by state.	**Qualified Education Expenses.	Full control.	Yes.
<b>Coverdell Education Savings Accounts (ESAs) (Formerly Education IRA)</b>	Withdrawals and earnings not taxed as long as funds are used for education.	*\$2,000 per year per child - child must be under 18.	**Qualified Education Expenses.	Full control.	Yes.
<b>Investments</b>					
<b>U.S. Savings Bonds (zero coupon bond)</b>	*Interest is tax exempt provided proceeds are for tuition and/or fees.	N/A	Tuition and Fees.	Full control.	N/A
<b>Tax Reductions and Credits</b>			<b>Notes</b>		
<b>Hope Credit</b>	Credit of up to \$1,500 for each eligible student.		First two years of post-secondary education. Enrolled in degree program at least half-time. Tuition and related expenses. Phase-outs apply.		
<b>Lifetime Learning Credit</b>	\$1,000 tax credit-20% of first \$5,000 paid for all students in the family.		Qualified tuition and related expenses. One or more courses. Graduate level work is eligible.		
<b>Student Loan Interest Deduction</b>	Maximum of \$2,500 above-the-line deduction. Deduction is subject to income limitations.		Interest is deductible for all years during loan repayment period. Phase-outs apply.		

\*Restrictions apply at certain income levels and proceeds may have to be used for education expenses.

\*\*Qualified Education Expenses refer to tuition and fees, books, room and board, equipment, supplies, transportation, etc

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Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.