

Navigating Private School Costs: A Guide by Walsh Investment Consulting Group

Unlocking the Power of 529 Plans and UTMA Accounts

As a high-net-worth family, you understand the importance of providing quality education for your loved ones. The Walsh Investment Consulting Group recognizes this commitment and offers tailored strategies to help you navigate the complex landscape of private, Catholic, or other religious schooling expenses. Let's explore how our expertise can benefit your family and possibly save you thousands in taxes.

529 Plans: A Smart Choice for Education Funding

1. What are 529 Plans?

- 529 plans are tax-advantaged accounts designed specifically for education savings.
- Administered at the state level, these plans allow you to invest and grow your funds while enjoying tax benefits. The availability of such tax or other benefits may be conditioned on meeting certain requirements.

2. Recent Changes: K-12 Tuition Eligibility

- Thanks to the Tax Cuts and Jobs Act (effective January 1, 2018), 529 plans now cover K-12 tuition expenses.
- Families can withdraw up to \$10,000 per year per beneficiary to pay for private elementary and secondary school tuition.

3. Recent Changes: Roth IRA Conversion

- Starting in 2024, if there is any money leftover, 529 account holders can transfer up to a lifetime limit of \$35,000 from a 529 plan to a Roth IRA for a beneficiary. This rule helps 529 plan owners avoid taxes and penalties for nonqualified withdrawals. It's especially useful for funding a Roth in high-income years. The 529 account must have been open for more than 15 years, and the funds cannot be rolled into a Roth IRA until 5 years after the funds were contributed or earned. Participants are subject to

annual Roth IRA contribution limits and must have earned income at least equal to the amount of the rollover.

4. Maximizing 529 Plan Benefits

- We guide you in selecting the right 529 plan, considering state-specific advantages.
- Our experts help optimize contributions and withdrawals to minimize taxes.

UTMA (Uniform Transfers to Minors Act) Accounts: An Alternative Approach

1. What is an UTMA Account?

- UTMA accounts allow you to transfer assets to a minor (your child or grandchild) while maintaining control until they reach the age of majority (usually 18 or 21, depending on the state).
- Unlike 529 plans, UTMA accounts are not limited to education expenses. They can fund various needs, including private school tuition.

2. Tax Implications

- UTMA accounts offer tax advantages similar to 529 plans but not as powerful.
- However, withdrawals from UTMA accounts are not restricted to educational expenses, so more flexible.
- Be aware that once the minor reaches the age of majority, they gain full control over the account. Of course, the account will be long gone paying for education before that ever happens.

Investing in Your Taxable Accounts for Schooling: An Alternative Approach

1. **You pay taxes on every dollar earned? Why are you still doing this?**
2. **Make the change to tax efficiency.**
3. **Ask us how to make the change. (904) 839-2891**



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Walsh Investment Consulting Group: Your Partner in Education Planning

1. Customized Strategies

- Our team assesses your unique financial situation, goals, and family dynamics.
- We create personalized plans that align with your values and aspirations.

2. Holistic Approach

- Beyond 529 plans and UTMA accounts, we explore other investment vehicles.
- Our goal is to create a comprehensive education funding strategy.

3. Legacy Planning

- Walsh Investment Consulting Group assists in multigenerational planning.
- We help grandparents contribute to 529 & UTMA accounts, ensuring a lasting educational legacy.

Conclusion: Investing in Education, Securing the Future

Education is an investment that pays dividends for generations. The Walsh Investment Consulting Group stands ready to guide your family toward smart choices, whether it's funding private, Catholic, or religious schooling. Let us help you build a brighter future for your loved ones.

Remember, each family's situation is unique. Consult with our experts to tailor these strategies to your specific needs. Contact us today to embark on your educational journey with confidence!

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