

SAGE: Tuition Discounts for PA 529 Participants

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If you are saving for a child's education, you might be using a 529 College Savings Plan. Millions of Americans use the state-sponsored plans that allow earnings on your savings to grow tax-deferred at a minimum and tax-free if they are used as directed, that is, for education expenses. But you might not be aware of one aspect of the Pennsylvania version of the 529 plan called "SAGE," which allows the plan owner to compile "rewards points" to be used as discounts off tuitions at participating private colleges and universities.

HOW SAGE WORKS

Earning points

The plan sponsor, typically a parent, earns rewards points by participating in employer-sponsored benefits programs, for example, by opting for dental coverage or healthcare coverage through one of the PA 529 Plan's affiliated national insurance providers. You might also be able to earn rewards points by investing in your employer's 401k or 403b retirement savings plan. According to program administrators, there are more than 100,000 employers nationwide who participate in the program.

There are additional ways to earn points, such as purchasing cash-value life insurance through a participating organization or working with an affiliated financial professional, including your HBKS® financial advisor, who provides asset management.

Using points

Awards points must be assigned to the specified student by August 31 of the year the student begins his or her final year of high school, or 12th grade. As sponsor, the parent sends the awards statement along with the student's application to the college. There are participating colleges and universities in almost every state, and the numbers continue to increase — at a rate of 20 per year over the last five years according to SAGE administrators.

Rewards points are worth at least a dollar each; a college or university might assign more value to each point. You can earn enough points to cover up to 25 percent of the annual tuition distributed evenly over the four years of undergraduate education.



You don't have to be a resident of Pennsylvania to invest in a Pennsylvanian 529 Plan.

MORE THINGS TO KNOW ABOUT SAGE

- There is no cost to enroll in SAGE or add-on costs to any of the qualifying savings programs or investments.
- The student and college can use the rewards points in addition to any scholarship or other financial aid packages.
- If the student decides not to attend one of the participating schools, the rewards points can be shifted to another family member.
- We can help. Contact your HBKS® financial advisor for more information about SAGE and to learn how to qualify.

ADDITIONAL INSIGHTS

- 529 plan savings can be applied to any qualified educational expense: tuition, books, laptop computers, room and board, etc. As the SAGE program is specifically geared toward tuition, your 529 plan assets can go even further when paying for other aspects of college.
- Certain credit card issuers allow for the accrual of points as well. Check with your credit card provider for details.
- This is essentially a risk-free program, meaning there is no downside to participating other than time required of the sponsor's to enroll and follow up.

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