

## A POWERFUL TOOL FOR IDAHO FAMILIES



### Idaho's state sponsored 529 college savings program

Administered by the Idaho College Savings Program Board, the Program helps families save for education in a tax advantaged way.

Enabled under title 33, Chapter 54 of Idaho Code and launched in 2001, **IDeal** is a self-supported program that received no direct funding from the General Fund. U.S. Code, Title 26,529 requires 529 Programs to be established and maintained by a state or instrumentality thereof.

#### FAST FACTS

**Q: Who can use the IDeal Program**

**A:** *Anyone can open and contribute to an IDeal Account for any loved one— child, grandchild, niece, or even yourself.*

**Q: Are there tax advantages?**

**A:** *Yes, Idaho taxpayers' annual contributions qualify for an Idaho state tax deduction, funds grow tax deferred and qualified expenses are withdrawn tax free.*

**Q: What can funds be used for?**

**A:** *K-12 tuition, higher education costs (2 and 4-year, registered apprenticeships, trade schools and graduate programs) including tuition, room and board, books, required supplies, computers, peripherals and Internet.*

**Q: Can funds repay student loans?**

**A:** *Yes. The 2019 Secure Act allows for a maximum lifetime aggregate of \$10,000 in loan payments per beneficiary.*

#### DID YOU KNOW?

<sup>2</sup>Students with college savings accounts are 7x more likely to enroll and complete a higher education program!

#### IDeal at a Glance:

as of 03-9-20

**Assets under management**

\$546 million

**Increase in savings since 2007**

329%

**# Funded Accounts**

38,919

**\$ Gifted to accounts in 2019**

\$2.6 million

**# accounts opened in 2019**

4,731



"Because we saved this money, they were able to do a lot of things in college they would not have been able to do, things they loved...They weren't so strapped for cash."

Teresa Noble, Boise

**IDeal can not only help increase college-going rates, but benefit the state of Idaho as a whole.**



<sup>1</sup> Contributions to the IDeal – Idaho College Savings Program are deductible from Idaho state income tax, subject to recapture in certain circumstances, such as a non-qualified withdrawal or a rollover to another state's qualified tuition program in the year of the rollover and the prior tax year. 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.

<sup>2</sup> Elliott, W. and Beverly, S. (2011). The role of savings and wealth in reducing "wilt" between expectations and college attendance. *Journal of Children & Poverty*, 17(2), 165-185.

### Benefits To The State

- Higher education is critical to reducing unemployment.
- Finances are one of the greatest and most common barriers to enrolling and remaining in higher ed programs.
- Student loans are filling the financial gap and record setting borrowing is having long-term effects on families economic futures.
- IDeal helps Idaho families break down financial barriers.
- Saving for education goals helps set a college-going culture in the home.
- A more educated workforce helps Idaho's economy and helps to keep and create jobs by attracting and retaining employers.

### Idaho College Savings Program

Constitutional Officer	Designee	Title	Since
State Treasurer Julie Ellsworth, Board Chair	Not applicable	State Treasurer	2019
Governor Brad Little	Greg Wilson	Senior Policy Advisor – Education	2019
State Controller Brandon Woolf	Patrick Hodges	Deputy State Controller	2016
Attorney General Lawrence Wasden	Brian Kane	Assistant Chief Deputy Attorney General	2008
Superintendent of Public Instruction Sherri Ybarra	Tim Hill	Deputy Superintendent, Finance	2003
Secretary of State Lawrence Denney	Chad Houck	Deputy Secretary of State	2018

For more information about the Idaho College Savings Program (IDeal), call 866-433-2533 or visit [www.idsaves.org](http://www.idsaves.org) to obtain a Disclosure Statement. The Disclosure Statement explains investment objectives, risks, charges, expenses, and other important information. Because investing in IDeal is an important decision for you and your family, you should read and consider the Disclosure Statement carefully before investing.

If you are not an Idaho taxpayer, consider before investing 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.

Ascensus Broker Dealer Services, LLC. (ABD), the program manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory and record keeping and administrative services. The Vanguard Group, Inc. (Vanguard) serves as Investment Manager for IDeal. Sallie Mae Bank serves as the Savings Portfolio Manager for IDeal. IDeal's Portfolios invest in either: (i) mutual funds and a separate account offered or managed by Vanguard; or (ii) an FDIC-insured omnibus savings account held in trust by the Board at Sallie Mae Bank. Except for the Savings Portfolio, investments in IDeal are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, you could lose all or a portion of your money by investing in IDeal, depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

**Not FDIC-Insured (except for the Savings Portfolio). No Bank, State or Federal Guarantee. May Lose Value.**

For more information, contact Christine Stoll Executive Director, IDeal

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