



Invest in Education: 529 Plans, Coverdell and Roth IRAs

By Richard Nelson, First Point Comprehensive Wealth Planning

Every parent dreams of the day their son or daughter will head off to college. With the costs continuing to rise, it is more challenging than ever to fulfill that dream.

The average **semester** of in-state tuition for a public four-year university in the state of Iowa is **\$9,629***. Broken down that total looks like this: \$3,570 in tuition and mandatory fees including, but not limited to, a computer/technology fee, health fee, health facility fee, student services fee, building fee and an activity fee; \$3,808 for room and board; \$519 for books and supplies; and \$1,730 for other various expenses that will arise. These numbers will only increase when looking at private or out-of-state colleges.

With that said, the time to start saving for a child's education is now! We offer several different options to assist you in helping secure a child's future. Each plan has unique benefits:

529 Plan

- Covers all "qualified higher education expenses," such as tuition, room and board, mandatory fees and required materials
- Contributions may qualify for a tax deduction on state income tax**
- Substantial contributions allowed; no income limitations or age restrictions

Coverdell Education Savings Account (CESA)

- Money is transferable to members of family (must be CESA)
- Withdrawals will not be taxable when used to pay qualified education expenses
- Anyone can contribute funds

Roth IRA

- Gives you the flexibility to save for retirement or college expenses
- Can be used for college for your spouse, children or grandchildren
- Qualified distributions are tax free**

If you, or someone you know, may be interested in discussing the right choice for a given situation, please call 663-3052 or email Richard.Nelson@LPL.com. I will sit down with you, one-on-one, and help you determine the best way to begin a savings plan! You can begin an automatic monthly savings plan with as little as \$25 per month. We look forward to helping dreams become realities.

*Averaged tuition data obtained from Iowa State University, University of Northern Iowa and University Iowa admissions websites.

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Not A Deposit	Not Insured By Any Government Agency	