

College Savings Plans Comparison

	529 College Savings Plan	529 Prepaid Tuition Plan	Coverdell ESA	START Savings Plan
Ownership/control	Contributor	Contributor	Contributor	Contributor
Investment choices	Typically, several options	None	No restrictions	7 options
Age limits	None	Varies by plan	Varies by plan	Owner = 18+
Expenses covered in addition to tuition & fees	Qualified expenses for post-secondary education	Usually, only tuition & mandatory fees for post-secondary	Qualified elementary, secondary & higher education expenses	Qualified expenses for college (includes room/board/books/fees/supplies)
Contribution limit	Varies by plan	Fixed by contract terms	\$2,000/student/year	May not exceed max. allowable account balance (determined annually)
Federal tax advantages	Tax-deferred; tax-free for qualified expenses	Tax-deferred; tax-free for qualified expenses	Tax-deferred; tax-free for qualified expenses	Tax-exempt; earnings tax-free for qualified expenses
State tax advantages	Varies by state	Varies by state	None	Earnings tax-free for qualified expenses
Income phase-out	None	None	Single: \$95,000-\$110,000 Joint filers: \$190,000-\$220,000	None
Penalties for non-qualified withdrawals	Earnings taxed as ordinary income; may be subject to 10% penalty	Earnings taxed as ordinary income; may be subject to 10% penalty	None	Subject to 10% penalty

Made available by: Jeanette Tucker, Ph.D., LSU AgCenter

Reference: NASD (2007) *Smart Savings for College*.

Louisiana Tuition Trust Authority (2007), *The START Saving Program Disclosure Booklet and Participation Agreement*



This material was made possible by a grant from the FINRA Investor Education Foundation

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 Pub. Misc 50 11/09

Issued in furtherance of Cooperative Extension work, Acts of Congress of May 8 & June 30, 1914, in cooperation with the United States Department of Agriculture. The Louisiana Cooperative Extension Services provides equal opportunities in programs and employment.