

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

Visit our Web site www.lsuagcenter.com
 Louisiana State University Agricultural Center, William B. Richardson, Chancellor
 Louisiana Agricultural Experiment Station, David Boethel, Vice Chancellor and Director
 Louisiana Cooperative Extension Service. Paul D. Coreil, Vice Chancellor and Director
 Pub. 12/08

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.