

HIGHLIGHTS BROCHURE



# PARENTHOOD IS AN ADVENTURE

SAVING FOR THEIR COLLEGE EDUCATION IS SIMPLE



ACHIEVE MONTANA

COLLEGE SAVINGS FOR THEIR FUTURE



Dear Saver:

Higher education is the key to helping children move toward their future dreams and goals. That's why it is so important to start a plan now to save for tomorrow's education costs.

Achieve Montana has been developed to give families like yours an affordable and simple, yet effective way to save for higher education with benefits like:

- Tax advantages, including a state income tax benefit for Montana taxpayers
- Investment options that invest in mutual funds and other investments from Blackrock, DFA, Charles Schwab, New York Life and Vanguard
- Easy online account enrollment and management
- Options to help you save even more

Enclosed you'll find the information you need to start saving with Achieve Montana. Don't wait to put a plan in place to give your children the chance to explore all they want in life.

Sincerely,  
Montana Board of Regents of Higher Education



**PARENTHOOD IS A  
WILD RIDE**

## SAVINGS FOR THEIR FUTURE

A Section 529 qualified tuition program (529 Plan) is a tax-advantaged savings program designed to help you save for college. You can use the assets held in your 529 Plan account to pay for your beneficiary's tuition, fees, books, and certain room and board costs, not only in Montana, but at eligible schools anywhere around the country. Funds from a 529 Plan account can be used at eligible two- and four-year schools, trade and technical institutes, graduate schools, and for registered apprenticeship program expenses.

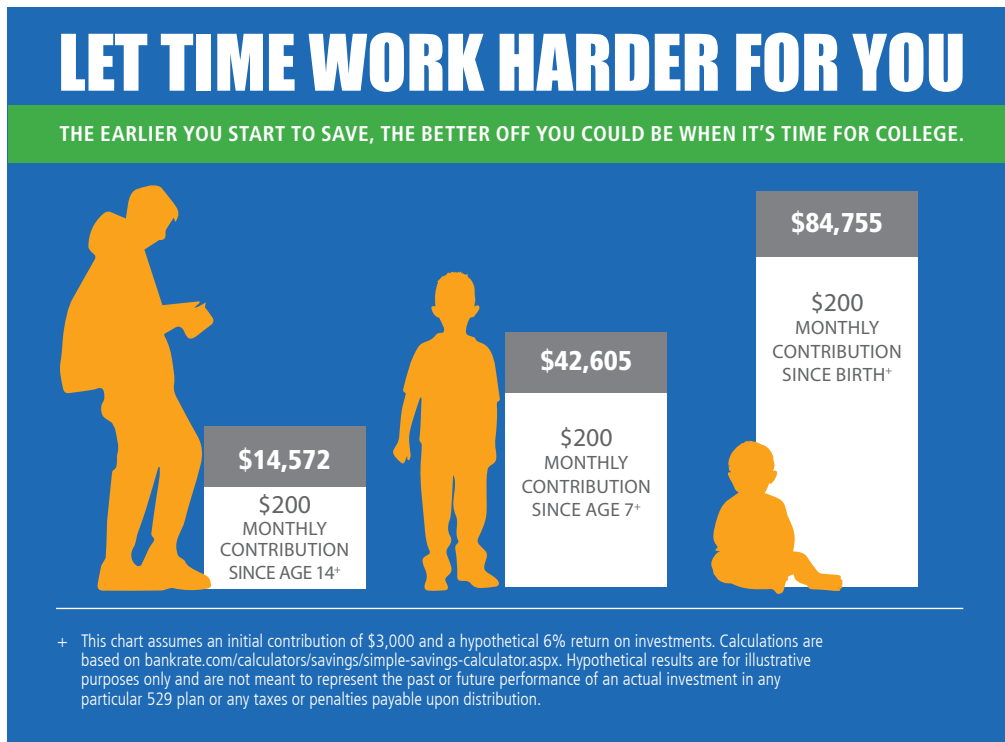
### Why are 529 Plans so popular?

529 Plans can help you save for your children's higher education while also providing you with additional benefits:

- Choice of investment options
- Tax-deferred earnings
- Tax-free qualified withdrawals<sup>1</sup>
- Control over how assets are used
- Gift and estate tax advantages
- Use your account to pay for K-12 Tuition<sup>2</sup>

### The power of saving early

The difference in a few years can be eye opening. Look at the chart below: If you opened a 529 Plan account with an initial investment of \$3,000 and contributed \$200 every month for 18 years, there could be almost \$85,000 in your 529 Plan account for college when your child is ready - double the amount if you had waited a mere 7 years to start saving and almost 6 times more than if you had waited until your child was 14 to start saving.



1 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.  
2 You may withdraw money from your account to pay certain elementary or secondary school tuition expenses up to \$10,000 per year per beneficiary.



## ACHIEVE MONTANA AT A GLANCE

Achieve Montana offers you and your beneficiaries important benefits:

### Low Costs

**Low minimums:** You can open an account for as little as \$25 and make additional contributions of \$25, or \$15 with payroll deduction, where available.

**High maximums:** Contribute up to a total of \$396,000 per beneficiary for accounts in all 529 Plans sponsored by the State of Montana.

**Competitive fees and expenses:** Achieve Montana's investment options have annual asset-based fees ranging from 0.395% to 0.587% (depending on which investments you choose). There is no annual account maintenance fee if you are a Montana resident, use an automatic investment plan (AIP), take advantage of payroll deduction through your employer (if available), or maintain an account balance equal to or greater than \$25,000. All other accounts are subject to an annual account maintenance fee of \$25.

### Choice

**Range of investment options:** Families have different investment goals, so Achieve Montana lets you choose from a variety of investment styles and asset classes, comprised of mutual funds and other investments from leading investment firms including Blackrock Fund Advisors, Dimensional Fund Advisors, Charles Schwab Investment Management, New York Life, and the Vanguard Group.

### Tax-Smart

**Tax-deferred earnings:** Your account earnings grow deferred from both federal and state taxes.

**Federal and state tax-free qualified withdrawals:** When your child is ready for college, you can withdraw the money from your Achieve Montana account free from federal and Montana state income taxes if the money is used to pay for qualified higher education expenses.<sup>3</sup>

**Gift tax benefits:** Your contributions also qualify for the federal \$16,000 (\$32,000 if married, making a proper election) annual gift exclusion.

**Special tax benefits for Montana taxpayers:** Contributions you make to Achieve Montana may be eligible for a yearly deduction of up to \$3,000 per taxpayer per year (\$6,000 for those married, filing jointly) from adjusted gross income in computing Montana state income tax. To be eligible, the contribution must be made to your account, an account owned by your spouse, or an account owned by your child or stepchild if your child or stepchild is a Montana resident.<sup>4</sup>

**Estate planning benefits:** Reduce your personal taxable estate by making five years' worth of gifts to a beneficiary (up to \$80,000; \$160,000 if married, making a proper election) in one lump sum.<sup>5</sup>

<sup>3</sup> 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>4</sup> Eligible contributions are deductible in computing Montana adjusted gross income for the tax year in which they are made. Contributions may be subject to recapture in certain circumstances such as a federal non-qualified withdrawal, rollovers to another state's 529 plan, or a withdrawal from an account that was opened within one year prior to the date of the withdrawal, as described in the Program Description (Recaptured Withdrawal). If the account owner is no longer a Montana resident at the time of a Recaptured Withdrawal, we may withhold the potential recapture tax from the Recaptured Withdrawal.

<sup>5</sup> In the event the contributor does not survive the five-year period, a pro-rated amount will revert back to the contributor's taxable estate.

# INVESTMENT OPTIONS TO HELP YOUR CHILDREN REACH THEIR DREAMS

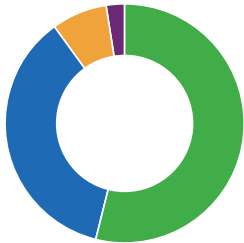
Achieve Montana gives you a range of investment options that allow you to develop a path that's right for your higher education savings goals. Choose from the Year of Enrollment Option, the Asset Allocation Portfolios Option, or the Individual Portfolios Option.

## Year of Enrollment Option

Our Year of Enrollment Portfolios are designed to make saving for college as simple as possible. These Portfolios automatically rebalance your asset mix to more conservative investments as your child nears college age. Once you've selected your Portfolio, you can leave the selection of underlying investments and the mix among asset classes to our experienced investment managers. As your child gets closer to college, your Portfolio automatically shifts to become more conservative. It's a set it and forget it kind of approach.

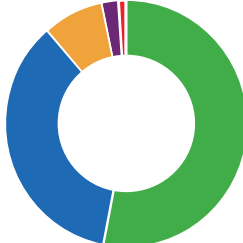
### 2041 Enrollment Portfolio

- U.S. Equity (54%)
- Int. Equity (36%)
- U.S. Fixed Income (7.5%)
- Int. Fixed Income (2.5%)



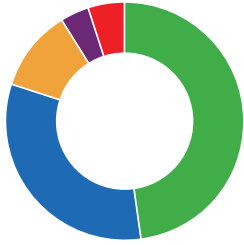
### 2038 Enrollment Portfolio

- U.S. Equity (50.4%)
- Int. Equity (33.6%)
- U.S. Fixed Income (9.75%)
- Int. Fixed Income (3.25%)
- Cash (3%)



### 2035 Enrollment Portfolio

- U.S. Equity (44%)
- Int. Equity (29.33%)
- U.S. Fixed Income (13.75%)
- Int. Fixed Income (4.58%)
- Cash (8.33%)



### 2032 Enrollment Portfolio

- U.S. Equity (38%)
- Int. Equity (25.33%)
- U.S. Fixed Income (17.5%)
- Int. Fixed Income (5.82%)
- Cash (13.33%)



### 2029 Enrollment Portfolio

- U.S. Equity (30%)
- Int. Equity (20%)
- U.S. Fixed Income (23.75%)
- Int. Fixed Income (7.92%)
- Cash (18.33%)



### 2026 Enrollment Portfolio

- U.S. Equity (19%)
- Int. Equity (12.66%)
- U.S. Fixed Income (31.25%)
- Int. Fixed Income (10.42%)
- Cash (26.66%)



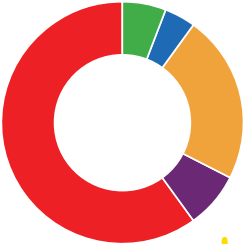
### 2023 Enrollment Portfolio

- U.S. Equity (7.8%)
- Int. Equity (5.2%)
- U.S. Fixed Income (24.75%)
- Int. Fixed Income (8.25%)
- Cash (54%)



### College Portfolio

- U.S. Equity (6%)
- Int. Equity (4%)
- U.S. Fixed Income (22.5%)
- Int. Fixed Income (7.5%)
- Cash (60%)

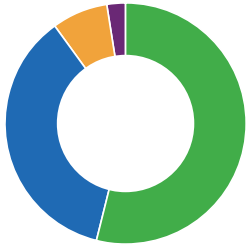


## Asset Allocation Portfolios

If you are inclined to actively manage your college investments, you might consider our Asset Allocation Portfolios. These Portfolios offer a set of fixed investments ranging from the Aggressive Portfolio that invests mostly in stocks, to an Income Portfolio that invests mostly in the New York Life guaranteed account. These Portfolios work differently than the Year of Enrollment Portfolios and do not change their investments over time.

### Aggressive Portfolio

- U.S. Equity (54%)
- Int. Equity (36%)
- U.S. Fixed Income (7.5%)
- Int. Fixed Income (2.5%)



### Growth Portfolio

- U.S. Equity (42%)
- Int. Equity (28%)
- U.S. Fixed Income (15%)
- Int. Fixed Income (5%)
- Cash (10%)



### Moderate Portfolio

- U.S. Equity (30%)
- Int. Equity (20%)
- U.S. Fixed Income (24.375%)
- Int. Fixed Income (8.125%)
- Cash (17.5%)



### Conservative Portfolio

- U.S. Equity (18%)
- Int. Equity (12%)
- U.S. Fixed Income (31.875%)
- Int. Fixed Income (10.625%)
- Cash (27.5%)



### Income Portfolio

- U.S. Equity (6%)
- Int. Equity (4%)
- U.S. Fixed Income (22.5%)
- Int. Fixed Income (7.5%)
- Cash (60%)



## Individual Portfolios

Our Individual Portfolios each consist of one underlying investment from a well-respected investment company. You can choose among these Individual Portfolios to build your own personalized portfolio or combine these investments with our Asset Allocation Portfolios or Year of Enrollment Portfolios. The choice is yours.

These investments are passively managed and offer an equity option from iShares, a fixed income option from Vanguard and a capital preservation option from New York Life. Like our Asset Allocation Portfolios, the Individual Portfolios offer a fixed underlying investment that does not change over time.

### Equity Index Portfolio

- U.S. Equity Index (100%)



### Bond Index Portfolio

- U.S. Fixed Income (100%)



### Capital Preservation Portfolio

- Cash (100%)



## CONTRIBUTION TOOLS THAT FIT YOUR FAMILY'S NEEDS

Achieve Montana offers a variety of contribution options so you can make the program work for your family.

### One-Time Flexible Contributions

You can contribute to your account according to your own schedule—whether that means once a month, once a quarter or once a year. Those contributions can be made by check or electronically from your checking or savings account.

### Automatic Investing

You may find it easier to contribute to your Achieve Montana account automatically through an Automatic Investment Plan (AIP) or payroll deduction. An AIP allows you to contribute to your account at regularly scheduled intervals (monthly, quarterly, semi-annually or annually).<sup>7</sup> You can set up an AIP when you enroll in Achieve Montana or at a later date of your choosing and can elect to have your AIP automatically increase annually.

You may also be eligible to contribute automatically through payroll deduction if your employer offers this service. Contributions can be as little as \$15 per account per paycheck. You can set up payroll deduction when you enroll in Achieve Montana or at a later date of your choosing.<sup>6</sup>

### Rollovers

If you have an account with another 529 Plan, you can rollover assets in that account to your Achieve Montana account. You can make a federal income tax-free rollover from another 529 Plan into your Achieve Montana account for the same beneficiary once every 12 months. You can also make a federal income tax-free rollover from another 529 Plan into your Achieve Montana account any time you change the beneficiary to a qualifying family member of your current beneficiary.<sup>7</sup>

### Other Ways to Contribute

You can also move assets from other accounts such as UGMA/UTMA accounts, Coverdell Education Savings Accounts and certain U.S. Savings Bonds into your Achieve Montana account. Special terms may apply to these types of contributions and they may result in tax consequences.

<sup>6</sup> A plan of regular investing cannot assure a profit or protect against a loss in a declining market.

<sup>7</sup> For beneficiary changes to occur free from federal or state income taxes, the new beneficiary must be a Member of the Family of the original beneficiary. See the Program Description for the definition of Member of the Family.



## QUESTIONS YOU MAY HAVE

### What is Achieve Montana?

Achieve Montana is a 529 Plan designed to help individuals and families save for higher education in a tax-advantaged way. Its benefits include: tax-deferred growth, generous contribution limits and investment options that invest in mutual funds, and other investments from leading investment firms including Blackrock, DFA, Charles Schwab, New York Life, and Vanguard.

### What fees are associated with Achieve Montana?

Achieve Montana charges annual asset-based fees ranging from 0.395% to 0.587% (depending on which investments you choose). There is no annual account maintenance fee if you are a Montana resident, use an AIP, take advantage of payroll direct deposit through your employer (if available), or maintain an account balance equal to or greater than \$25,000. All other accounts are subject to an annual account maintenance fee of \$25. All fees are subject to change.

### What tax benefits are available to me with Achieve Montana?

Your investment grows tax deferred and can be withdrawn free from Montana state and federal income tax if used for qualified higher education expenses.<sup>8</sup> Your contributions may also help you manage federal gift and estate taxes.

### Are there special tax benefits for Montana taxpayers?

Yes. If you are a Montana taxpayer, you are entitled to up to a yearly \$3,000 deduction (\$6,000 if married, filing jointly) from adjusted gross income per taxpayer in computing your Montana state income tax, based on your eligible contributions to accounts in Achieve Montana. To be eligible, the contribution must be made to your account, an account owned by your spouse or an account owned by your child or stepchild if your child or stepchild is a Montana resident.<sup>9</sup>

### Who can open an account?

A U.S. citizen or resident alien, 18 or older, or an entity that is organized in the U.S., with a Social Security number or Tax Identification number and a valid permanent U.S. residential address, can open an Achieve Montana account, regardless of income level. Parents, grandparents, other family members, and friends can open an account for any person they choose.

### Who can contribute?

Any number of people can contribute to the same Achieve Montana account, but total contributions cannot exceed \$396,000 for all accounts for the same beneficiary in 529 Plans sponsored by the State of Montana.

### Who can be a beneficiary?

Any person of any age, with a Social Security number or Tax Identification number, can be named as beneficiary of an Achieve Montana account. As account owner, you can select a child, adult, or even yourself as beneficiary. If your beneficiary decides not to attend college or another qualified post-secondary institution, you can name another beneficiary who is a qualified member of the same family as the original beneficiary without incurring any penalties. Please see the [Achieve Montana Program Description](#) for more information on who qualifies.

### Does my child have to attend college in Montana?

No. You can use the assets in your Achieve Montana account toward the costs of nearly any accredited public or private, 2- or 4-year college, or technical or vocational school nationwide. In fact, many U.S. colleges and universities now have campuses or locations outside of the country, where money from your Achieve Montana account can be used. It can also be used for nearly any graduate school, medical school, or law school meeting the above criteria. Please visit <https://ope.ed.gov/accreditation/> for a complete list of qualified post-secondary institutions.

<sup>8</sup> 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>9</sup> Eligible contributions are deductible in computing Montana adjusted gross income for the tax year in which they are made. Contributions may be subject to recapture in certain circumstances, such as a federal non-qualified withdrawal, rollovers to another state's 529 plan, or a withdrawal from an account that was opened within one year prior to the date of the withdrawal, as described in the Program Description (Recaptured Withdrawal). If the account owner is no longer a Montana resident at the time of a Recaptured Withdrawal, we may withhold the potential recapture tax from the Recaptured Withdrawal.





# PARENTHOOD IS A BEAUTIFUL MESS

## Can I change my investment options?

Yes. You may change your investment options up to two times per calendar year per beneficiary. If you have multiple investment options for a beneficiary, all changes for the calendar year for that beneficiary must be requested on the same day. You may also change investment options when you change the beneficiary of your account. Investment changes for future contributions can be made at any time.

## Do I retain control of the money?

Yes. As the account owner, you choose the Portfolios in which you invest, as well as the distribution of the funds.

## What qualifies as a higher education expense?

Qualified higher education expenses include tuition, certain room and board costs, fees, books, and equipment required for enrollment or attendance at an eligible institution of higher education. Qualified higher education expenses also include computers and software if used primarily by the beneficiary while enrolled at school.

## Can I use my account to pay for K-12 Tuition, apprenticeship program expenses, or to make a qualified education loan repayment?

You may withdraw money from your account to pay elementary or secondary school tuition expenses at a public, private, or religious school (K-12 Tuition), pay apprenticeship program expenses, or to make a qualified education loan repayment federally and, effective April 30, 2021, Montana tax-free. Please consult your tax advisor regarding your personal circumstances.

## What apprenticeship expenses can be paid from my account?

You can use your account to pay for fees, books, supplies, and equipment required for participation in an apprenticeship program registered and certified with the Secretary of Labor. To see a list of eligible programs, go to [apprenticeship.gov](http://apprenticeship.gov).

## Can I rollover money from another 529 Plan to Achieve Montana?

Yes. You may perform a federal income tax-free rollover from another 529 Plan into your Achieve Montana account for the same beneficiary once every 12 months. You may also perform a federal income tax-free rollover from another 529 Plan into your Achieve Montana account at any time when you change the beneficiary to a qualifying family member of the current beneficiary.<sup>10</sup>

## What if my child does not go to college immediately after high school?

Achieve Montana does not require the beneficiary to attend college immediately after graduating high school. There are no time or age restrictions on when your beneficiary can use the money in your account to pay for qualified higher education expenses.

<sup>10</sup> A rollover from Achieve Montana to another state's 529 Plan is considered a non-qualified withdrawal for Montana income tax purposes and may be subject to recapture. For beneficiary changes to occur free from federal or state income taxes, the new beneficiary must be a Member of the Family of the original beneficiary. See the Achieve Montana Program Description for the definition of Member of the Family.



## BENEFITS TO GET THE MOST OUT OF YOUR ACHIEVE MONTANA ACCOUNT

Want your money to work even harder? Here are two extra opportunities to save: Ugift® and Upromise®. Signing up for these additional benefits won't take more than a few minutes, but could make a big difference in saving for college with your Achieve Montana account.

### Ugift®

Ugift is an innovative, easy-to-use online service that allows you to invite family and friends to celebrate holidays, birthdays, graduations, or other milestones with the gift of college savings (instead of another toy or game).

This may be one of the most meaningful gifts your child ever receives — help toward a college education. For more information, go to [achievemontana.com](http://achievemontana.com).



#### HERE'S HOW IT WORKS:

- You create invitations and specially coded gift coupons, which are emailed to your loved ones.
- Family and friends send in gift contributions either through EFT using your unique gift code or by check (with as little as \$15).
- Gift contributions are invested into your Achieve Montana account.

### Upromise®

This service is designed to help families save more for college. When you join the Upromise service, you can earn college savings on eligible everyday purchases when you shop online, dine out, and much more. The extra money from your Upromise account can add up over time when it's automatically transferred to your Achieve Montana account on a periodic basis.<sup>11</sup>



To learn more, visit [achievemontana.com](http://achievemontana.com) and click on the Upromise logo.



**BEING A GRANDPARENT IS AN  
ADVENTURE**

<sup>11</sup> Upromise is an optional service offered by Upromise, Inc., is separate from Achieve Montana, and is not affiliated with the State of Montana. Terms and conditions apply to the Upromise service. Participating companies, contribution levels, and terms and conditions are subject to change at any time without notice. Transfers from Upromise to an Achieve Montana account may be subject to a minimum amount, visit [upromise.com](http://upromise.com) for more details.

## ENROLL TODAY TO GIVE YOUR CHILDREN THE CHANCE TO EXPLORE ALL THEY WANT IN LIFE

Take the first steps towards your dreams for your children.

### It's simple to enroll

- 1 Read the entire Enrollment Kit, including the [Achieve Montana Program Description](#), carefully before investing. The Program Description includes the most complete information on Achieve Montana, including fees, expenses and risks.
- 2 Decide which investment approach is best for you. Your investment choices will be applied to all future contributions. You may move current assets in your account into different investment options up to two times each calendar year or upon a change in beneficiary. However, you may change the investment allocation of future investments at any time.
- 3 Enroll. Note that you will need to open a separate Achieve Montana account for each beneficiary.

### Online

The fastest way to open your account is to go to [achievemontana.com](http://achievemontana.com) and click on "Enroll Now." You can open and begin managing your account immediately.

To get started, you'll need:

- Your Social Security number
- Your beneficiary's Social Security number and date of birth
- Your email address
- Your bank checking or savings account number and routing number  
(if you want to contribute electronically via bank transfer)

If you prefer, you can complete the enclosed Enrollment Form and return it with your initial contribution as follows:

Mail to:

Achieve Montana  
PO Box 219448  
Kansas City, MO 64121-9448

For overnight mail:

Achieve Montana  
1001 E 101st Terrace, Suite 200  
Kansas City, MO 64131



