

FutureScholar



South Carolina's 529 College Savings Plan



Praise for South Carolina's 529 College Savings Plan

5 Out of 5 Cap Rating

Future Scholar has earned a 5 out of 5 cap rating from industry rating agency **savingforcollege.com**, on both the Direct and Advisor-sold plans for in-state residents.

Among Top Rated in the U.S.

Future Scholar Direct and Advisor-sold plans have received a bronze rating from **Morningstar**[®] analysts.

\$2.2 Billion

Future Scholar assets under management (AUMs) exceed \$2.2 billion. In 2013, Direct plan sales topped \$106 million, an increase of 19% from 2012, making 2013 the best sales year ever.

An Industry Leader

South Carolina's Future Scholar College Savings Plan has been recognized by **Money Magazine** as a leader in low fees—"South Carolina eliminated program-management fees and dropped its investment expenses for in-state residents."

The Wall Street Journal recognized South Carolina as having the highest state tax deduction in the country for investing in the state sponsored 529 plan.

futurescholar.com/about

Q&A

Frequently asked questions about South Carolina's Future Scholar 529 College Savings Plan

What is a 529 college savings plan?

Created under section 529 of the Internal Revenue Code (IRC) and sponsored by individual states, 529 plans are tax-advantaged college savings vehicles. These plans are superior to many other savings vehicles due to the tax treatment of withdrawals when used for qualified college expenses.

Who can open an account and who can contribute?

Any legal U.S. resident can open and contribute to a 529 plan, regardless of income level. There are also no age restrictions on beneficiaries — you can set up an account for a child, teenager, or even an adult.

What can the money be used for?

Funds in a 529 plan can be used for qualified higher education expenses, which include tuition, fees, room, board, books, supplies and equipment required for enrollment in or attendance at an eligible higher education institution.

Can you use the money out-of-state?

The money you save through a 529 plan can be used to pay qualified education costs at any eligible educational institution in the United States, as well as some international schools. This includes two- and four-year public and private colleges, graduate and professional programs and certain vocational-technical schools. A list of eligible educational institutions can be found at savingforcollege.com.

What happens if my child doesn't go to college or gets a scholarship?

If your child receives a scholarship or decides not to attend college, the money you save can be transferred to a new beneficiary, as long as he or she is a relative of the original beneficiary. If the account beneficiary receives a scholarship, the account owner has the option of withdrawing up to the amount of the scholarship without federal penalty, though the earnings on this withdrawal would be subject to federal and possibly state income tax. Remaining funds can be used for educational expenses not covered by the scholarship, or a new beneficiary can be named. Funds in a 529 plan can always be withdrawn at the discretion of the account owner. Earnings on withdrawals to cover expenses that are not qualified educational expenses will be subject to taxes as ordinary income and, in most cases, a 10% federal penalty.

Is there a minimum amount I have to contribute to open a Future Scholar 529 Plan?

There is no minimum amount you need to invest to open a Future Scholar account, making it easier than ever to start saving.



Administered by Office of State Treasurer
Curtis M. Loftis, Jr.

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futurescholar.com/about

To learn more about Future Scholar, its investment objectives, risks and costs, read the official statement available at www.futurescholar.com before investing. Check with your or the beneficiary's home state to learn if it offers tax or other benefits for investing in its own 529. Not Paid for with State Funds.