

# 10 Qualified Expenditures for 529s Your Clients Will Want to Know About



## 1 College Tuition and Fees

Assets within a 529 Education Savings Plan can be used for tuition and fees associated with qualified colleges or graduate schools. To see whether a school qualifies, check the Federal School Code List (<https://ifap.ed.gov/ifap/fedSchoolCodeList.jsp>).



## 2 Trade and Vocational School Tuition and Fees

529 funds can also be used to pay for expenses to attend two-year colleges, trade schools, graduate schools and even some international institutions, provided the institution participates in the Education Department's federal student aid program.



## 3 Elementary and Secondary School Tuition

Effective in 2018, 529 distributions were expanded to cover up to \$10,000 per student per year for tuition at public, private or religious elementary and secondary schools.



## 4 Housing and Living Expenses

529 funds can pay for a college's room and board fees if the student is attending at least half-time. Sorority, fraternity or off-campus housing and rentals are qualified up to the cost of the room and board on campus—limited to what is included in the college's cost of attendance (COA).



## 5 Books and Supplies

Textbooks and specified required class supplies are all qualified expenses. Check with the institution on the allowable amount for each academic year.



## 6 Computer Hardware

Computers and other electronics are eligible expenses but only if stated as required by the college or required for specified class work or class attendance.



## 7 Computer Software

Some computer software may count as a qualified expense if required for specified college class work or class attendance.



## 8 Internet Services

529 distributions can be used to pay for internet service if the service is necessary for institution or class communications or homework.



## 9 Special-Needs Equipment

Certain services and equipment that a special-needs student requires, such as a wheelchair, qualify. Transportation costs, which are generally considered a nonqualified expense, may qualify depending on a student's special needs.



## 10 Career or Business Expenses

Students close to graduation can apply 529 assets to purchase equipment they will need for their career or in establishing a business post-graduation. However, the equipment must be used in coursework during their time in school.



### LEARN MORE

For more complete information, see IRS publication: "IRS offers guidance on recent 529 education savings plan changes 2018-07-30" or visit: [Savingforcollege.com/article/what-you-can-pay-for-with-a-529-plan](https://www.savingforcollege.com/article/what-you-can-pay-for-with-a-529-plan).

For information regarding Pershing's 529 Education Savings Platform visit [pershing.com/What We Provide/Investment Solutions/Education and Health Savings](https://www.pershing.com/What-We-Provide/Investment-Solutions/Education-and-Health-Savings).

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