

Nebraska - State Farm 529 Savings Plan

Data as of: 04/20/24

Nebraska's State Farm 529 Savings Plan utilizes Vanguard, State Street, DFA and iShares funds in its age-based and static portfolios. Union Bank and Trust Company serves as program manager, succeeding First National Bank and Oppenheimer/OFI.

5-Cap Rating

Resident:



Non-Resident:



Savingforcollege.com's 5-Cap Ratings provides an evaluation and comparison of 529 plans, utilizing a formula that examines dozens of factors grouped into the following categories. (Scale 0 to 5; 5 is highest)

| Performance | Costs | Features | Reliability | Resident Upgrade |
|-------------|-------|----------|-------------|------------------|
| 3.01 | 4.90 | 4.36 | 4.45 | 0.50 |

Investment Options

Age-based/Enrollment Year investment options:

The Age-Based option contains 9 portfolios. Contributions are placed into the portfolio corresponding to the beneficiary's age, and later reassigned to more conservative portfolios as the beneficiary approaches college age.

Static investment options:

Select among 7 portfolios: All Equity, Growth, Moderate Growth, Balanced, Conservative, Money Market and Bank Savings.

Underlying investments:

Vanguard, DFA, Goldman Sachs, iShares, and State Street The Bank Savings option invests in an FDIC-insured savings account held in trust at Union Bank and Trust Company and/or Nelnet Bank.

Taxes and other Benefits

Program match on contributions:

The Meadowlark Savings Pledge provides eligible Nebraska newborns with a NEST savings account for education expenses. Any baby born on or after January 1, 2020, who is a resident of Nebraska at the time of birth is eligible to receive a Meadowlark seed contribution of \$50. Babies are enrolled in the program in the spring following their year of birth.

State tax deduction or credit for contributions:

Contributions by an account owner who files a Nebraska state income tax return, including the principal and earnings portions of rollovers from another qualified college savings plan not issued by the State of Nebraska, are deductible in computing the account owner's Nebraska taxable income for Nebraska income tax purposes in an amount not to exceed \$10,000 (\$5,000 for married taxpayers filing separate returns) in the aggregate for all contributions to all accounts within the Trust in any taxable year. Contributions by a custodian of an UGMA or UTMA account who is also the parent or guardian of the Beneficiary of an UGMA or UTMA account may claim this deduction. Contribution deadline is December 31 postmark.

State tax recapture provisions:

The principal portion of rollovers and nonqualified withdrawals from this plan are included in Nebraska taxable income to the extent of prior Nebraska tax deductions.

State definition of qualified expenses

The state's definition of qualified education expenses currently includes expenses for attendance at an institution of higher education as defined by the Internal Revenue Code and its regulations addressing qualified state tuition programs or participation in an apprenticeship program, and interest and/or principal on qualified education loans up to a \$10,000 lifetime cap. This does not include tuition for elementary or secondary education. Distributions from a 529 account directly to a Roth IRA are considered a qualified expense for state income tax purposes.

State tax treatment of qualified distributions:

Qualified distributions from Nebraska and non-Nebraska 529 plans are exempt.

State tax treatment of rollovers:

Nebraska follows federal tax-free treatment except that outbound rollovers are subject to the recapture of prior state tax deductions.

Does the sponsoring state exclude the value of an account for state financial aid purposes?

Yes

Does participation in the program provide beneficiaries with any advantages in qualifying for resident tuition status at state institutions?

No

Is there a rewards program or outside scholarship program that works with this program?

Yes, the Upromise Rewards program can be linked to any 529 college savings plan. Upromise Rewards is free to join and offers members cash back for college.

Plan Portfolios

There is no investment data available for this plan. Please visit <https://www.statefarm.com/finances/education-savings-plans/state-farm-529-college-plans> for additional information.

General

Program type:

Savings

How to enroll:

Enroll through a State Farm Registered Representative.

Initial year of operation:

2003

State agency(ies):

Nebraska State Treasurer

Program manager:

Union Bank and Trust Company

Program distributor:

Northern Trust Securities, Inc

Contributions

Maximum contributions:

Accepts contributions until all account balances in Nebraska's 529 plans for the same beneficiary reach \$500,000.

Minimum contributions:

With lump-sum contributions, the minimum initial contribution is \$250 per account, and the minimum subsequent contribution is \$50 per portfolio. With the automatic investment plan, the minimum contribution level is \$50 per portfolio.

Does the program offer an e-gifting platform for receiving gift contributions?

This plan offers an online tool to share a gift contribution link with family and friends. For federal gift tax purposes, contributions to an account are considered a gift from the contributor to the Beneficiary that is eligible for the gift tax annual exclusion. For 2021, the annual exclusion was \$15,000 per donee (\$30,000 for a married couple that elects on a federal gift tax return to "split" gifts). Effective January 1, 2022, the annual exclusion is \$16,000 per donee (\$32,000 for a married couple that elects on a federal gift tax return to "split" gifts).

Fees & Expenses

Enrollment or application fee:

None, but contributions may be subject to a sales charge depending on share class.

Account maintenance fee:

None, waived for accounts with a balance exceeding \$20,000.

Program management fees:

0.17% (including 0.02% state fee) plus distribution fees of 0.25%; 0.17% (including 0.02% state fee) for Money Market and Bank Savings options.

Expenses of the underlying investments:

Ranges from 0.05% to 0.08% (portfolio weighted average) in the age-based options, from 0.05% to 0.18% in the static portfolios, none for the Bank Savings option.

Total asset-based expense ratio:

Class A: 0.35% - 0.50%
Bank Savings option: 0.17%

Contact

Website:

<https://www.statefarm.com/finances/education-savings-plans/state-farm-529-college-plans>

Telephone:

1-800-321-7520

