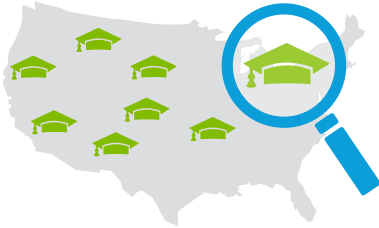


COLLEGE SAVING MYTHBUSTERS

10 Common Misconceptions about 529 Plans

There are misconceptions about tax-advantaged college savings plans.



MYTH

529 plans can only be used for colleges in the plan's state.

FACT

You can use a 529 for most colleges in the United States, no matter where your 529 savings plan is based.

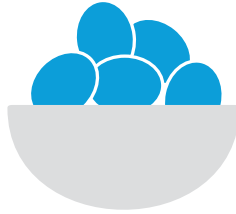


MYTH

I can only use my home state's 529 plan.

FACT

As a U.S. resident, you can generally open and contribute to a 529 plan in any of the 50 U.S. states.²



MYTH

I make too much money to contribute to a 529 plan.

FACT

It does not matter how much you earn. 529 plans have no income limits.



MYTH

I can only use a 529 plan for a 4-year college or university.

FACT

There are many options! 529 savings can be applied to over 10,000 postsecondary education programs, including community colleges, graduate schools, technical schools and even some study abroad programs.¹



MYTH

Only parents can be an account owner for 529 plans.

FACT

Parents, grandparents, aunts, uncles, friends... almost anyone can be an account owner with a valid U.S. Tax ID and a permanent address. You can even open a 529 plan for yourself!



MYTH

My child can only have one 529 college savings plan opened in their name.

FACT

A child can have multiple 529 plans opened by a variety of people including parents, grandparents, aunts & uncles, friends and more.

1. www.us.gov, U.S. Department of Education, November 2015.

2. Assumes plan is a national plan and not limited to state residents only.

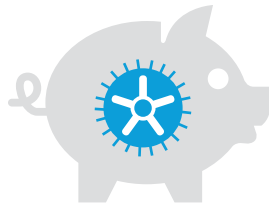


MYTH

Only account owners are eligible to contribute to their 529 plan.

FACT

Anyone can contribute to 529 plans! This includes parents, grandparents, aunts & uncles, friends and more. Gifting has never been easier with SPRYNG™ by Franklin Templeton, visit franklinspryng.com for more details.



MYTH

My child can take the money from their account when they turn 18.

FACT

You have control! The account owner owns the 529 plan's assets and controls how and when they will be used. Unlike an UGMA/UTMA, the beneficiary has no legal rights to the plan's assets, even when they turn 18.

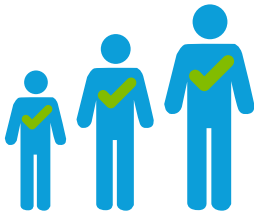


MYTH

529 plans can only be used for tuition expenses.

FACT

529 plan withdrawals can be used for any qualified higher education expense, including tuition, mandatory fees, supplies, books or other required equipment, and room and board, if the beneficiary is enrolled at least half-time.



MYTH

529 plans are only for children.

FACT

529 plans are for people of all ages!

Strategies for College Savings Success

1

DON'T WAIT. START TODAY.

Starting early puts time on your side.

2

INVEST CONSISTENTLY.

Regular contributions can have a big impact.

3

WORK WITH A FINANCIAL ADVISOR.

Professional advice makes a difference.

Investors should carefully consider mutual fund and/or 529 college savings plan investment goals, risks, charges and expenses before investing. To obtain a mutual fund summary prospectus and/or prospectus or the Investor Handbook, which contain this and other information, talk to your financial advisor or call Franklin Templeton Distributors, Inc., the principal distributor of Franklin Templeton's U.S. registered mutual funds and the manager and underwriter for the 529 plan at (800) DIAL BEN/342-5236 or visit franklintempleton.com. You should read the mutual fund prospectus and/or Investor Handbook carefully before investing or sending money and, with respect to investments in the 529 plan, consider whether your, or the beneficiary's, home state offers any state tax or other benefits that are only available for investments in its qualified tuition program.



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