



**FRANKLIN
TEMPLETON**

A smarter way to invest for education[®]

Franklin Templeton 529 College Savings Plan

**Offered Nationwide by the New Jersey Higher
Education Student Assistance Authority (HESAA)**



A college education is an investment in your child's future that can pay handsomely over time—**college graduates earn an average of 78% more** per year than high school graduates, and over a lifetime, that difference amounts to more than over \$1.7 million in earnings.¹

Franklin Templeton 529 College Savings Plan can be a **smarter way to invest for your education savings**. Here are just a few features you can enjoy as a Franklin Templeton 529 College Savings Plan account owner:

Smart benefits

- **Control over plan assets.** As account owner, you maintain control over how and when plan assets will be spent for qualified college expenses.
- **Low contribution requirement.** Get started with as little as \$25.²
- **No income restrictions.** You can open a plan regardless of how much you earn.
- **Wide range of schools.** 529 savings can be used at most accredited two- and four-year colleges and universities and vocational schools, including many outside the U.S., as well as certified apprenticeships. Up to \$10,000 per year per beneficiary can be used for tuition for eligible public, private and religious primary and secondary educational institutions (K-12). What expenses will be regarded as "tuition" in the case of public schools may vary by state.³
- **Special benefits for New Jersey residents.** Initial contribution **matched** up to \$750⁴ for new accounts. **Tax-free college scholarship** up to \$6,000.⁵
- **529 to Roth IRA Transfers.** Avoid penalties on any unused portions of your savings that will not be used for qualified education expenses. Savers can transfer unused 529 funds into a Roth IRA for the beneficiary (lifetime limit of \$35,000).⁶
- **Use for loans.** Up to \$10,000 may be paid toward principal or interest of a student loan for the beneficiary or a sibling.³

Smart investment options

- **Professional investment management.** As account owner, you get experienced and knowledgeable management of your assets from Franklin Templeton. Our distinct multi-manager approach combines the specialized expertise of world-class multi-investment management groups.⁷
- **Distinct investment strategies.** The plan offers three investment strategies designed to meet your individual investment needs:⁷
 - **Age-based asset allocations.** Choose an age-based asset allocation track appropriate for you—conservative, moderate or growth. Portfolios within each allocation track are based on the Beneficiary's age and are periodically reallocated.⁸
 - **Objective-based asset allocations.** Portfolios designed to reflect the amount of risk you are comfortable taking, and the potential return characteristics you prefer.
 - **Customized strategy.** Choose from one or a combination of individual portfolios that range from growth allocations to more conservative income portfolios.



Smart tax advantages

- **Federal income tax benefits.** Earnings grow federal income tax-free, and earnings are free from federal income tax when withdrawn for qualified education expenses or used up to \$10,000 per year for tuition for eligible primary and secondary schools.³
- **Special gift and estate tax treatment.** A contribution in one year of up to \$90,000 (or \$180,000 if a married couple) to a single beneficiary is generally exempt from federal gift and estate taxes if you make no further gifts to the beneficiary for five years.
- **New Jersey state tax deduction.** New Jersey taxpayers, with gross income of \$200,000 or less, may qualify for a state income tax deduction for contributions into a Franklin Templeton 529 College Savings Plan of up to \$10,000 per taxpayer, per year.⁹

Tax benefits are conditioned on meeting certain requirements. Federal income tax, a 10% federal tax penalty, and state income tax and penalties may apply to non-qualified withdrawals of earnings. Generation-skipping tax may apply to substantial transfers to a beneficiary at least two generations below the contributor. Gift examples are general; individual financial circumstances and state laws vary—consult a tax professional before investing. If the contributor dies within the five-year period, a prorated portion of contributions may be included in their taxable estate. See the Program Description for more complete information.

1. U.S. Census Bureau, Current Population Survey, 2022 Annual Social and Economic Supplement.

2. Each plan account is subject to an annual program management fee of 0.25% of assets and underlying fund expenses, currently up to 0.75% of assets, which may vary, and sales charges, which vary by class of share. See the *Program Description* for more complete information.

3. The Federal Tax Cuts and Jobs Act (TCJA), which was signed into law in December 2017 and became effective January 1, 2018, expanded the definition of a qualified higher education expense to include up to \$10,000 (federal tax-free withdrawals) per year in tuition expenses at private, public and religious elementary and secondary schools (K-12). The state tax consequences of using 529 plans for elementary or secondary education tuition expenses will vary depending on state law and may include recapture of tax deductions received from the original state and may also include taxes and penalties. Some states do not offer state tax deductions or tax credits for K-12 tuition, and other restrictions may apply.

4. The New Jersey College Affordability Act allows taxpayers with household adjusted gross income between \$0 and \$75,000 may be eligible for a one-time grant of up to \$750 matched dollar-for-dollar of the initial deposit into a Franklin Templeton 529 College Savings Plan account for accounts open on or after June 29, 2021. Visit HESAA.org for terms and conditions and how to apply. This program is subject to available funding.

5. Investing in a Franklin Templeton 529 College Savings Plan does not guarantee admission to any particular elementary or secondary school or to college, or sufficient funds for elementary or secondary school or for college. The scholarship is only available for college and is awarded any fall or spring semester of college. The NJBEST Scholarship is provided by the New Jersey Higher Education Student Assistance Authority.

6. SECURE Act 2.0. Transfers are subject to Roth IRA contribution limits, and the account must have been open for more than 15 years. This provision is effective for distributions after December 31, 2023. Other conditions apply. For more information please visit: <https://www.finance.senate.gov>.

7. The plan is managed by Franklin Mutual Advisers, LLC, an affiliate of Franklin Distributors, LLC. Plan portfolios predominately invest in mutual funds managed by affiliates of Franklin Mutual Advisers, LLC. An investment in Franklin Templeton 529 College Savings Plan is an investment in a municipal security that may invest in one or more underlying mutual funds. It is not an investment in shares of the underlying mutual fund(s).

8. The Age-Based Asset Allocations have been designed for savings intended for qualified higher education (i.e., college) expenses, not for elementary or secondary education tuition expenses.

9. The New Jersey College Affordability Act allows for New Jersey taxpayers, with gross income of \$200,000 or less, to qualify for a state income tax deduction for contributions into a Franklin Templeton 529 College Savings Plan of up to \$10,000 per taxpayer, per year, beginning with contributions made in tax year 2022.

Start planning for tomorrow's commencement today.

It can be as easy as 1-2-3.

1 | Educate yourself

Order an Investor Kit, which includes the *Program Description*, by visiting **franklintempleton.com** or by calling (800) DIAL BEN®/342-5236. Our dedicated service representatives are available to answer any questions you may have about the plan.

2 | Select an investment portfolio

Work with your financial professional to select the portfolio that best suits your education savings needs.

3 | Return your application

Complete the Franklin Templeton 529 College Savings Plan application and return it to your financial professional.



Not FDIC Insured | May Lose Value | No Bank Guarantee

All investments involve risk including possible loss of principal. Diversification does not guarantee a profit or protect against a loss.

Investors should carefully consider the 529 plan's investment goals, risks, charges and expenses before investing. To obtain the *Program Description*, which contains this and other information, talk to your financial professional or call Franklin Distributors, LLC, the manager and underwriter for the 529 plan at (800) DIAL BEN/342-5236 or visit franklintempleton.com. You should read the *Program Description* carefully before investing and consider whether your, or the beneficiary's, home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in its qualified tuition program.

Franklin Templeton's 529 College Savings Plan is offered and administered by the New Jersey Higher Education Student Assistance Authority (HESAA); managed and distributed by Franklin Distributors, LLC, an affiliate of Franklin Resources, Inc., which operates as Franklin Templeton.

Investments in Franklin Templeton's 529 College Savings Plan are not insured by the FDIC or any other government agency and are not deposits or other obligations of any depository institution. Investments are not guaranteed by the State of New Jersey, Franklin Templeton, or its affiliates and are subject to risks, including loss of principal amount invested. Investing in the plan does not guarantee admission to any particular primary, secondary school or college, or sufficient funds for primary, secondary school or college.

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