

529 Plans

The ***Tax Cuts and Jobs Act*** has expanded the use of 529 plans – accounts that allow savers to accumulate money and pay for college on a tax-free basis – to include elementary (and secondary) school expenses at private institutions.

This change will allow individuals to take up to \$10,000 in distributions annually from their 529 plans to pay for private school tuition and books through 12th grade – in addition to using their account proceeds for college costs.

Specific rules apply to this – especially regarding Federal and Illinois-specific limitations - so we encourage you to check with your tax advisor to see if using funds in a 529 plan to pay tuition might make sense for you.