

New Mexico 529 Education Savings Plan

Congratulations Scholarship Winners!

LANL Foundation Scholarship Presentation

**New Mexico Education Trust Board
Natalie Cordova, Executive Director
Carolyn Fittipaldi, Marketing Director**

May 2025



The Education Plan®
A little today goes a long way



What Is The Education Plan?

- A 529 education savings plan sponsored by the State of New Mexico and administered by New Mexico Education Trust Board (<https://www.nmetb.org/>)
- 529 is the section of the IRS code that authorizes tax-advantaged college savings plans.
- In 1996, a bipartisan effort to provide federal tax relief for all college savings plans resulted in the creation of Section 529.
- The Education Plan offers a tax-advantaged way to save for future education expenses and reduce student loan debt.
- Money in a 529 plan account is professionally managed and may benefit from the power of compounded growth.
- The Education Plan allows you to open a 529 account directly and choose from a variety of investment options designed to meet your needs, situation, and risk tolerance.



Who Can Open a 529 Account?

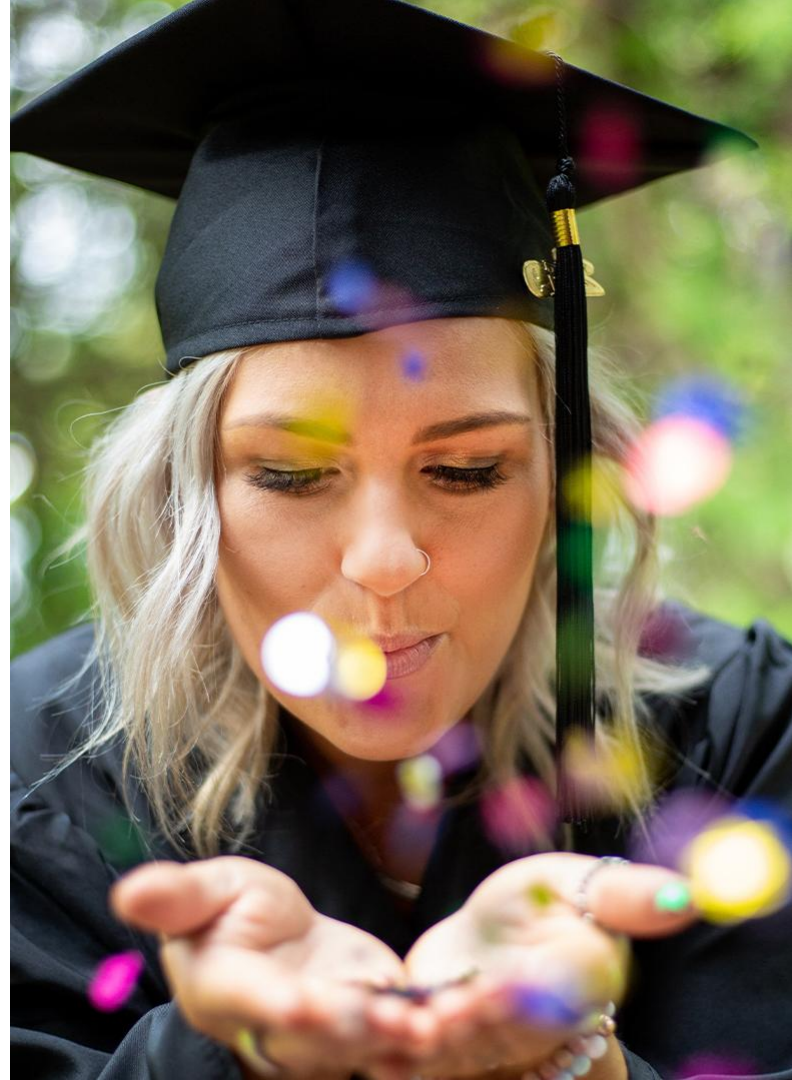
- Anyone in US, Over 18 with SSN or ITIN
- Parents
- Grandparents
- Aunts/Uncles
- Family Friends
- You (for yourself!)



Which Schools Can 529 Savings Be Used?

Funds can be used at any accredited school in the country that qualifies to receive federal financial aid.

- Inside and outside of New Mexico
- Trade and vocational schools
- Public and private schools (post-secondary)
- 2-year colleges
- 4-year colleges
- Graduate and professional schools
- Even a few international schools



What Courses of Study Can 529 Savings Be Used For?

Certificates

Associate's degrees

Undergraduate degrees

Professional schools

Master's and PhD degrees

Examples of Qualified Expenses

529 plans are flexible and can be used to cover a variety of educational expenses.

- Tuition and Fees
- Room/Board
- Books
- Computers
- Internet
- And more! <https://www.theeducationplan.com/basics/529-qualified-expenses>

•Account owner keeps records to support qualified use/withdrawal of funds

Tax Advantages!

STATE

- Tax-free growth
- Tax-free withdrawals (when used for “qualified” education expenses)
- *New Mexico residents - State tax deduction of full amount invested during the taxable year (Jan 1- Dec 31)*

FEDERAL

- Tax-free growth
- Tax-free withdrawals (when used for “qualified” education expenses)

Explore Your 529 Plan Investment Options

We know that choosing investment options can be overwhelming, but The Education Plan® can help make it easy. With a range of professionally managed investments, your Education Plan account has the flexibility to meet your investment needs.

Select your investment approach:

KEEP IT SIMPLE

This approach is based on the beneficiary's year of enrollment. It consists of a blend of investments assuming enrollment at age 18* that automatically changes to match the shortening time horizon and appropriate risk levels.

** Depending on your beneficiary's intended enrollment year, you may want to consider a different investment strategy.*

SHOW ME OPTIONS

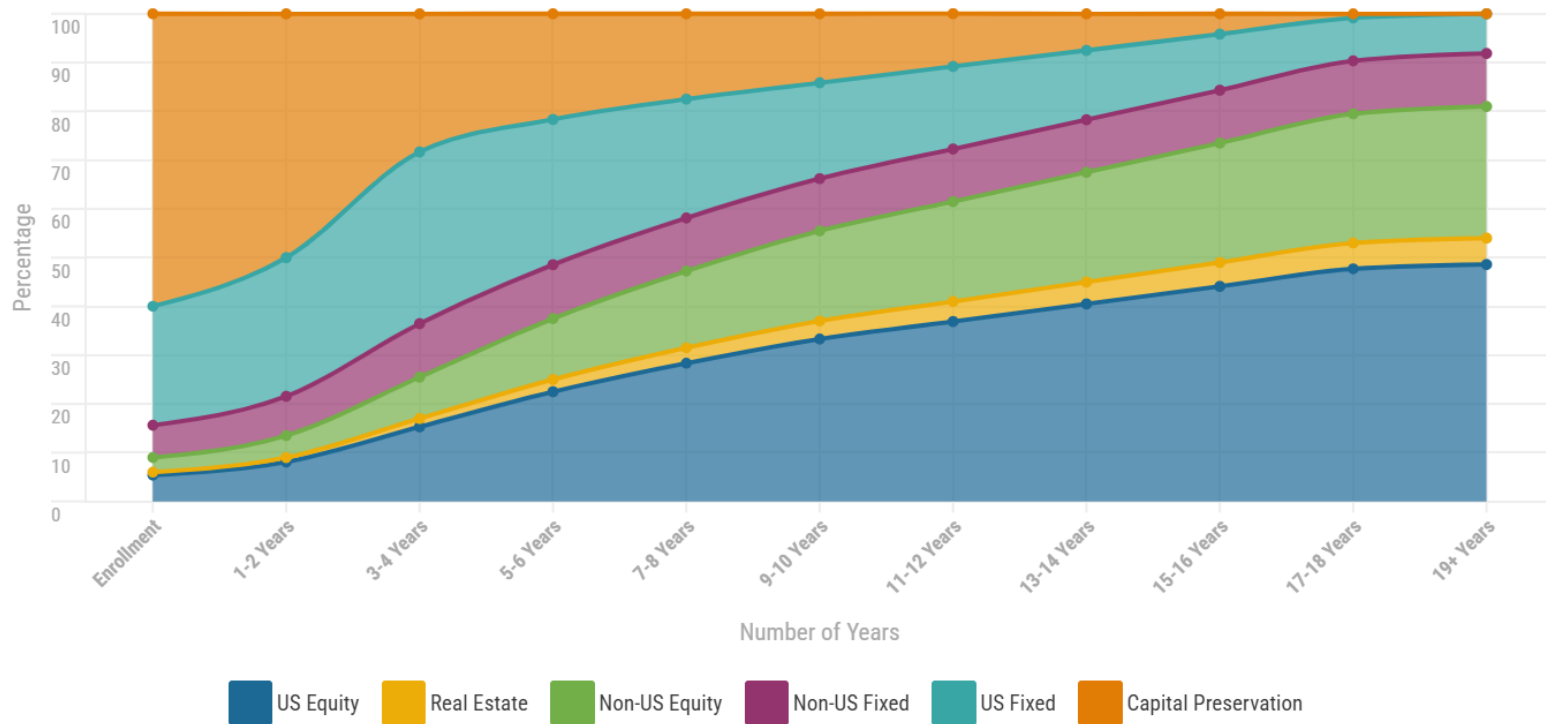
This "do-it-yourself" approach* allows you to choose any combination of portfolios available in the plan equaling 100%. Portfolios include Year of Enrollment, Static and Active Allocation, and Individual funds.

** Generally, this approach is for experienced investors who are comfortable selecting their own investment strategy or for those who may have different investment objectives.*

<https://theeducationplan.com/keepitsimple>

Picture of illustrative interactive graph on website

19+ years
1 of 10



Legend

Putting Money in Your 529 Account

- **LANL Foundation Scholarship**– funds can be deposited into your account.
- **Send a check** – write a check and mail it and it will be deposited into your account. You can send checks as often as you like.
- **One-time electronic funds transfer** – you can make a transfer from your bank account.
- Many other options, including:
 - **Automatic Investment Plan (AIP)** – schedule recurring contributions from your bank account. It's an easy way to save.
 - **Rollover/transfer from another 529 Plan** – transfer funds from other eligible accounts or investments.
 - **Payroll contribution** – if your employer offers it, you can contribute to your 529 Plan directly from your paycheck.
 - **Gift contributions**



The Education Plan®
A little today goes a long way

Accepting Gift Contributions is Easy

Friends and family can help grow your account.

5 Reasons to Set Up Gifting:

1. It's a meaningful gift that can last a lifetime.
2. Anyone can contribute at any time with as little as \$25.
3. It can be a one-time gift or a recurring contribution.
4. It may offer tax benefits for the gift-giver.
5. Even a small gift can make a big difference with compounding.

For more info on Gifting, visit
TheEducationPlan.com/gifting



How To Get Started

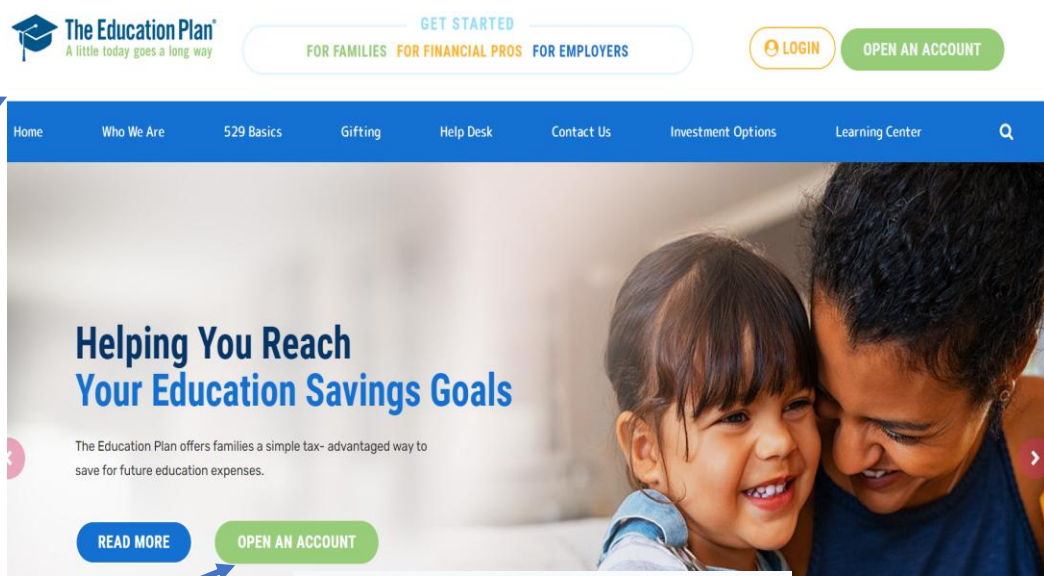
Visit TheEducationPlan.com

It takes about 15 minutes.

What you need for yourself and the beneficiary

- Name
- SSN or TIN
- Birth date of beneficiary
- U.S. street address (not P.O. box)
- Your bank routing number for contributions and withdrawals*

Select "Open an Account"

The screenshot shows the 'Start Saving Today' enrollment form. It includes a heading 'Start Saving Today' and a sub-headline 'If you are enrolling for yourself or on behalf of a future student, enter your information to get started.' Below this is a link 'Already started enrolling? Continue Enrollment'. The form contains several input fields: 'First Name' (with 'John' entered), 'MI' (with a dropdown arrow), 'Last Name' (with 'Smith' entered), 'Phone Number' (with a placeholder 'XXX-XXX-XXXX'), 'Email Address' (with 'john.smith@email.com' entered), 'Password', and 'Confirm Password'. A blue arrow points from the 'Select "Open an Account"' text to the 'OPEN AN ACCOUNT' button in the previous image.



Opening a 529 Account

Step-by-step

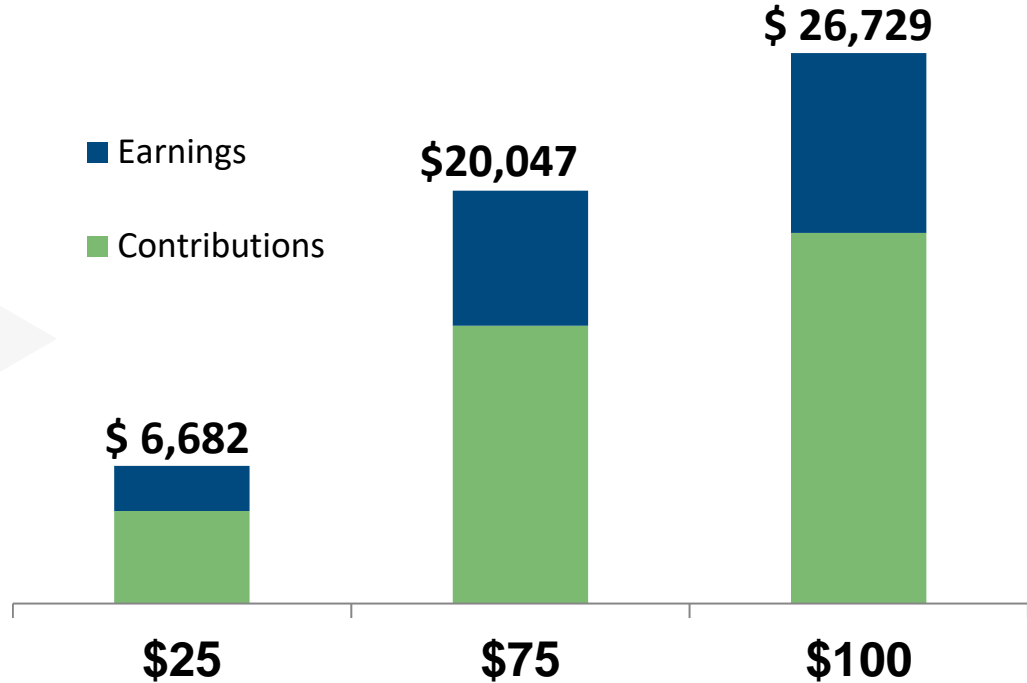
<https://www.youtube.com/watch?v=VLXMSoUeZYg&t=6s>

How to Withdraw Money From a 529 Plan

- Withdrawals can be made for qualified expenses at any time and in the amount you decide
- Be aware of deadlines and make withdrawals in the same calendar year the qualified expenses occurred
- Timing of withdrawals is important (when do you need the money or when is payment due)
- Withdrawn funds can be sent to the institution, to the account owner, or to the beneficiary
- Check with institution to see if you can make automatic payments
- Submit a withdrawal request online by logging into account online and filling out the form
- Keep detailed records that include account statements with tuition and room and board; receipts for supplies; course requirement documentation; and records showing withdrawals for qualified expenses
- Form 1099-Q will be issued annually when withdrawals are made

Hypothetical Model of Earnings on funds in a 529 account

Hypothetical model only - Assumes monthly contributions and a 5% annual return. Investments are subject to market risk.



Additional Information & Resources

Contacts: Natalie Cordova, Executive Director
Natalie.Cordova@etb.nm.gov, 505-476-3860
Carolyn Fittipaldi, Marketing Director
Carolyn.Fittipaldi@etb.nm.gov, 505-412-5121

Visit: TheEducationPlan.com

Call: *(For direct account assistance)* 877.337.5268 Hours M-F 8am-7pm MT

