

The cost of a higher education is one of the biggest financial obligations an individual may face. There are several options available for paying college expenses, one of which is taking a withdrawal from your 529 Plan account. Please use this guide to help you with the withdrawal process.

Requesting a Withdrawal

Only the Account Owner may direct distributions (also called “withdrawals”) from your account. Withdrawals can be payable to the Account Owner, the Beneficiary, or directly to the Eligible Educational Institution (college, university, etc.)

Withdrawals may be “qualified” (see below) or “nonqualified” for tax purposes; you should consult your tax professional with any questions concerning the tax reporting of your withdrawal.

Make Your Request by Telephone

You may request up to \$100,000 by phone only if the withdrawal proceeds are:

- ▶ Made payable to the Account Owner or Beneficiary
- ▶ Mailed to the address of record
- ▶ Sent to the bank information already on file on your account
- ▶ Sent directly to the Eligible Educational Institution (see “Tips” in the next column)

Make Your Request Online

- ▶ Payable to the Owner or Beneficiary
- ▶ Sent to the address of record by check or the bank information already on file on your account
- ▶ Online withdrawals to the school are not currently available

Make Your Request in Writing

If you prefer, you may also submit your request in writing with either:

- ▶ A clear letter of instruction, or
- ▶ 529 Withdrawal Form (recommended)

Qualified vs. Non-qualified Expenses

Withdrawals (or portions thereof) that are used to pay for “qualified higher educational expenses”, are exempt from Federal income tax and not subject to penalty. Qualified expenses may include:

- ▶ Tuition and fees
- ▶ Cost of books, supplies and equipment (such as laptop computers) required for enrollment or attendance
- ▶ Some room and board costs (including a program of study abroad approved for credit by the Eligible Educational Institution)
- ▶ Expenses of a special needs beneficiary that are necessary in connection with his or her enrollment or attendance at an Eligible Educational Institution

You must make such determination when filing your tax return in the year following the withdrawal. More information on what may constitute a “qualified expense” can be found in the BlackRock CollegeAdvantage 529 Plan Program Description.

Tips

- ▶ Sending the distribution directly to the school to pay college expenses can be advantageous, including serving as documentation for a qualified withdrawal.
- ▶ **Check with the school first!** Make sure the address is complete & correct (it may need to say “Bursar’s office”, “Student Accounts”, etc.). The main address may not be appropriate for payments, and may cause delays in applying the payment.
- ▶ Allow enough time for processing & mailing – late payments may cause delays in posting or even class schedule disruptions
- ▶ Add your checking or savings account information to your account for future use – saves times on future payment requests
- ▶ Running low on time? Give us a call at **1-866-529-8582** and we can help you expedite your request.

Frequently Asked Questions

Q: What is the easiest way for me to make a withdrawal?

A: The easiest ways to make a withdrawal are online by logging into your account, or by calling our team at **1-866-529-8582**.

Q: Can I request a withdrawal online?

A: Yes. You can have your withdrawal proceeds payable to either the Account Owner or Beneficiary, and sent either to the address of record by check or to the bank information already on file on your account. Please note: withdrawals to the school are not available at this time.

Q: Can the Beneficiary make a withdrawal?

A: No. Only the Account Owner may request a withdrawal.

Q: How much can I withdraw from my account?

A: You can withdraw as much as you need to cover educational expenses*. Please remember to specify the amount you wish "NET" after any applicable fees, etc.

Q: Would there be any fees to make a withdrawal?

A: We do not assess a fee for the withdrawal itself, however there would be a \$15 fee for any proceeds sent via overnight mail, a \$7.50 fee for any proceeds sent to your bank by wire (your bank may also assess a fee), and if you are closing your account, the Annual Account Maintenance fee (\$25) may be imposed at the time of the withdrawal. Any applicable sales charges on Class C Units may be assessed.

Q: I have not yet requested payments be sent directly to the Eligible Educational Institution. What should I do?

A: You can provide the instructions to us via telephone or in writing, and we will establish this destination on your account for future tuition payments. From there, you can just call us each semester to request another payment.

Q: What are the time frames to know when making a withdrawal?

A: Typically, a withdrawal is processed within 24-hours of our receipt (provided it is in good order). If you are mailing your request, we suggest submitting it **two weeks prior to any deadline**, to allow for mailing time and unforeseen delays. Once the withdrawal is made from your account, the proceeds are sent the following business day and should be received:

- ▶ **Regular mail by check:** Approximately 3-5 business days
- ▶ **Overnight mail by check:** Typically arrives the business day after it is sent; please note Saturday delivery is not available in many locations
- ▶ **To your bank account via ACH (Automated Clearing House):** typically within 48 hours. There are no fees assessed for this service.
- ▶ **To your bank account via wire:** Typically within 24 hours.

Q: Where do I send my written withdrawal request?

A: You can mail it to the address listed on the form, either the regular mail or overnight mail address. To expedite your request, you may fax it to our Processing Team at 1-508-599-6054.

Questions?

We recommend that you speak with your **financial Advisor**, who is there to assist you with your financial planning.

You may also call the BlackRock CollegeAdvantage® 529 Team at **1-866-529-8582**, Monday through Friday between 8:00AM and 6:00PM ET.

Additional information about this 529 program, forms, applications, tools, and other helpful information can be found on our website at: www.blackrock.com/collegeadvantage

*For additional information, please refer to the Program Description, or IRS Publication 970, which may be found at www.irs.gov.