



## Frequently Asked Questions

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### **Does the plan incentivize Arkansas taxpayers?**

Yes. Arkansas taxpayers may be eligible to deduct up to \$5,000 (up to \$10,000 for married couples making a proper election) in Arkansas Brighter Future 529 Plan contributions from their Arkansas adjusted gross income calculation on their Arkansas state income taxes.

### **How can I use the money in my account?**

To qualify for federal tax-free withdrawals on earnings, the money must be used for qualified education expenses for the beneficiary at an eligible educational institution. An eligible institution is one that can participate in federal financial aid programs

**Higher-education expenses:** Qualified costs include tuition, fees, books, supplies, and equipment, including computers, certain peripheral equipment, internet access, related services, and computer software, certain room and board expenses; and certain expenses for students with special needs.

**Apprenticeship programs:** Arkansas Brighter Future 529 Plan money can also be used to cover fees, books, supplies, and other required equipment at apprenticeship programs registered and certified through the U.S. Secretary of Labor.

**Student loan repayments:** This includes principal or interest on any qualified education loan of the beneficiary or a sibling of the beneficiary, up to \$10,000 in a lifetime, per individual.

### **Do I have to use my savings at a school in Arkansas?**

No. The money in your account may be used at any eligible educational institution in the United States and abroad that qualifies under federal guidelines, including qualified apprenticeship programs.

### **Who can contribute to an account?**

Anyone can contribute, not just the account owner. Ugift® makes it easy, and it's a great way for family and friends to give something meaningful and long-lasting at birthdays, holidays, graduations, and other milestone occasions. Anyone who contributes is eligible for the same state income tax deduction.

### **What if I move to another state?**

You can maintain your account and continue to make contributions no matter where you live in the United States.

### **Can I change the beneficiary?**

You can change the beneficiary on your account at any time, provided that the new beneficiary is an eligible family member of the original beneficiary.

**More Frequently Asked Questions can be found here:**

<https://brighterfuturesdirect529.com/home/help-center.html>