

# START 529



The **START Saving Program** is an Educational Savings Account and is recognized as a Qualified Tuition Program under section 529 of the Internal Revenue Code.

- A START account is used to save for Qualified Higher Education Expenses such as Tuition & Fees; Room & Board for On or Off Campus or Living with Parents; Books & Supplies and Computer or Laptop purchases.
- START funds may be used for Undergraduate Programs, Graduate Programs, Professional Programs at any accredited college or university, in-state or out-of-state, Louisiana Technical Colleges (all campuses) and In-state or out-of-state Proprietary Schools.
- Accounts may be opened by anyone who wishes to assist a Beneficiary in paying for their college education.
- The state of Louisiana matches a portion of the Account Owner's annual deposits.
- Accounts may be opened online or by paper application.
- Deposits are available through payroll deduction.
- Accounts may be opened for Beneficiaries at any age at any time during the year. The Beneficiary must have a Social Security Number.
- Deposits must be at least \$10; Disbursements must be a minimum of \$250.00.
- Maximum allowable annual account balances are amounts equal to five times the annual Qualified expenses at the highest cost Louisiana University. This amount is adjusted August 1<sup>st</sup> of each year. Deposits are not accepted once the account balance reaches this amount.
- Maximum lifetime deposits of \$500,000.00.
- Online access to account information while the account is open, active and funded.

## Tax Advantages

- Earnings used for Qualified Higher Education Expenses are exempt from state and federal taxes.
- Up to \$2,400 (\$4,800 for married couples filing jointly) in deposits per beneficiary per year may be deducted from income reported on Louisiana tax returns.
  - Account Owners who deposit less than \$2,400 (\$4,800 for married couples filing jointly) per year may carry the unused deduction forward to subsequent years.

## Account Termination

- Deposits into a START account are voluntary and may be terminated by the owner at any time.
- Account Beneficiary may be rolled over to another family member without adverse consequences.
- Refunds from voluntary terminations include:
  - Market value of the account
    - Accounts open less than 12 months will not receive interest.
  - START will retain all Earnings Enhancements and interest thereon.
- Tax implications of a voluntary termination:
  - Account owner must pay a 10% federal tax penalty on earnings.
  - Account owner must pay federal and state income taxes on earnings.
  - Account owner must pay state income taxes on any contributions previously deducted from their Louisiana AGI.



A 529 Educational Saving Plan for Grades K-12  
A Program of the Board of Regents

# START K-12

The **START K-12 Program** is a “Qualified Tuition Plan” under Section 529 of the Internal Revenue Code.

- The START K12 Program allows families to save for Qualified Education Expenses (tuition) at any **Louisiana** public or approved private secondary school that offers any grades kindergarten through 12<sup>th</sup> grade.
- Any remaining funds after 12<sup>th</sup> grade can be rolled over to a START 529 account.
- Accounts may be opened online or by paper application.
- Accounts may be opened for Beneficiaries at any age at any time during the year. The Beneficiary must have a Social Security Number.
- Deposits must be at least \$10; Maximum lifetime deposits allowed \$180,000.
- Online access to account information while the account is open, active and funded.
- No limit to number of accounts which can be opened for a Beneficiary with multiple owners.

## Account Termination

- Deposits into a START K12 account are voluntary and may be terminated by the owner at any time.
- Account Beneficiary may be rolled over to another family member without adverse consequences.
- Refunds from voluntary terminations include:
  - Market value of the account
- Tax implications of a voluntary termination:
  - Account owner must pay a 10% federal tax penalty on earnings
  - Account owner must pay federal and state income taxes on earnings

## To enroll in the START 529 Program or START K-12 Program

1. Set up your account at <https://www.startsaving.la.gov/Enroll/lookup.aspx>
2. Download Payroll Deduction Form from <https://www.startsaving.la.gov/forms.aspx>
3. Upload Payroll Deduction Form to your account

**For more information contact Employee Relations:**

Phone: (504) 658-7770

Fax: (504) 658-8648

Email: [employeerelationsdivison@nola.gov](mailto:employeerelationsdivison@nola.gov)