Compare College Savings Choices

There are many choices for you to consider when charting your child's course to college. The option you choose depends on how many years you have to save, your overall financial goals and your investment preferences. With average college costs continually on the rise, now may be a good time to open an account.

This Comparison Tool is intended for informational purposes only. The data in this tool should not be relied on to make investment decisions. Consult your legal or tax professional for tax advice.

Edvest[SM]
WISCONSIN'S COLLEGE SAVINGS PLAN

	Edvest College Savings Plan	529 Plans General	529 State Prepaid Plans	Coverdell Education Savings Account (CESA or ESA)	Custodial Accounts (UGMA/UTMA)	Taxable Accounts	Traditional (Classic) IRA	Education Savings Bonds
Federal Tax Treatment	Earnings portion of withdrawals used to pay qualified education expenses are federal income tax free.	Earnings portion of withdrawals used to pay qualified education expenses are federal income tax-free.	Neither the account owner nor the beneficiary is subject to federal income tax if account is used to pay for tuition at a participating institution.	Distributions used to pay for qualified education expenses are federal income tax-free.	The first $1,050 of unearned income is tax-free, and the next $1,050 is taxed at the child's bracket of 10%. All net unearned income over a threshold amount of $2,100 for 2018 is taxed using the brackets and rates for estates and trusts. Refer to IRS.gov for additional information.	Fully taxable.	Federal income tax deductible (subject to income limits). Earnings are federal income tax-free until withdrawal at age 59 ½. Penalty-free withdrawals for qualified higher education expenses, but entire withdrawal taxed at owners tax rate.	Interest earned is federal income tax-free if used for qualified higher education expenses. (Subject to income limits.)
State Tax Treatment	Earnings portion of qualified withdrawals is Wisconsin income tax free. Your contributions to Edvest may qualify for a Wisconsin tax deduction up to a maximum of $3,340 for 2020 per child. Excess funds may be applied to future tax years. Read the Plan Description for more detail.	Some states may offer different or additional tax incentives. State income tax treatment is dependent on state tax law.	Some states may offer different or additional tax incentives. State income tax treatment is dependent on state tax law.	No state tax deduction.	No state tax deduction.	State income tax treatment is dependent on state tax law.	State income tax treatment is dependent on state tax law.	Savings bonds are exempt from State taxation, except for estate or inheritance taxes.
Federal Tax on Non-Qualified Withdrawals	Earnings subject to income tax and 10% additional tax.	Earnings subject to income tax and 10% additional tax.	Earnings subject to income tax and 10% additional tax.	Earnings subject to income tax and 10% additional tax.	No penalties apply as contributions are irrevocable and money has to be spent for the benefit of the account beneficiary.	No penalties.	Earnings subject to income tax and 10% additional tax.	3 months of interest forfeited if redeemed within first 5 years.
Fees Assessed	With Edvest, there are no sales charges, startup or maintenance fees. To review the current total annual asset-based fees, which are comprised of the underlying investments expenses for each Investment Option, the Plan Manager fee, and state administration fee, please see fees and expenses.	Average annual asset-based management fees range from 0.42% for direct sold plans and 0.61% for all 529 plans (direct, advisor and fee-based advisor plans).	Varies by state.	Depends upon underlying investment vehicle. Industry average ranges from 0.25% to 0.75% per year.	Depends upon underlying investment vehicle. Industry average ranges from 0.25% to 0.75% per year.	Depends upon underlying investment vehicle. Industry average ranges from 0.25% to 0.75% per year.	Depends upon underlying investment vehicle. Industry average ranges from 0.25% to 0.75% per year.	None.

For information on Federal tax treatment, see IRS Publication 970, or consult your financial advisor. For more information on state tax treatment, check with your financial advisor.

The financial aid treatment of investments in a 529 savings plan varies by school. Assets are typically treated as the account holder's and not the student's. (Student assets are generally assessed at 20% whereas parental assets are generally assessed at 5.64%.) Any investments, including those in 529 accounts, may affect the student's eligibility to get financial aid based on need. You should check with the schools you are considering regarding this issue.

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Qualified Expenses	Tuition, mandatory fees, books, supplies, and equipment required for enrollment or attendance; certain room and board costs, certain expenses for "special needs" students. In addition, up to $10,000 annually can be used toward K-12 school tuition per student from all 529 plans.	Tuition, mandatory fees, books, supplies, and equipment required for enrollment or attendance; certain room and board costs, certain expenses for "special needs" students.	Most plans are designed to cover tuition and fees at in-state colleges and universities. Some have provision to include room and board.	Post-secondary costs, K-12 costs.	Anything that benefits the minor. At age of majority (18 or 21 depending on state), account becomes property of the child.	Not applicable, can be used for any purpose.	Unlimited. Can make penalty free withdrawals for qualified higher education expenses.	Tuition and mandatory feeds at colleges, universities, and vocational schools. Rollovers to a section 529 plan are also eligible. Room and board, and books are not qualified expenses.[3]
Investment Control	Registered account owner, plan management by Wisconsin College Savings Board.	Registered account owner, program management varies by state.	Registered account owner, program management varies by state.	Registered account owner, program management varies by state.	Custodian until child reaches age of majority (18 or 21 depending on state, investment management varies by provider.	Registered account owner, program management varies by provider.	Registered account owner, program management varies by provider.	Registered account owner, program management varies by provider.
Investment Options	25 investment portfolios; can invest in one or more of the following: • 10 enrollment year investment portfolios • 8 multi-fund investment portfolios • 5 single fund investment portfolios • 2 stable principal investment portfolios	Varies by state.	Varies by state.	Mutual funds and securities.	UGMA/UTMA rules vary by state. Investments are chosen by the individual.	Varies by state.	Investments chosen by the individual.	Series EE bonds issued January 1990 and later and all Series I Bonds are backed by the US government, and will not mature for at least 24 (others mature at 30) years after purchase. When mature, the bond value will double.
Federal Estate Planning and Gift Tax Treatment Each individual's tax situation will be different. Consult your tax advisor.	Annual gift tax exclusion of up to $15,000 per donor per beneficiary. A contribution in excess of annual gift tax exclusion amount up to $75,000 can be prorated over 5 years and treated as a gift in each of those years.	Annual gift tax exclusion of up to $15,000 per donor per beneficiary. A contribution in excess of annual gift tax exclusion amount up to $75,000 can be prorated over 5 years and treated as a gift in each of those years.	Annual gift tax exclusion of up to $15,000 per donor per beneficiary. A contribution in excess of annual gift tax exclusion amount up to $75,000 can be prorated over 5 years and treated as a gift in each of those years.	N/A	Annual gift tax exclusion of up to $15,000 per donor, per beneficiary.	N/A	N/A	Annual gift tax exclusion of up to $15,000 per donor (each spouse can give a gift), per beneficiary.

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Contribution Limit	No annual limit. $472,000 maximum account balance limit per beneficiary (total of all Edvest accounts).	No annual limit. Maximum account balance limit per beneficiary may be as high as $300,000 for some plans.	No annual limit. Maximum varies by state. Typical range is $200,000 to $300,000.	Up to $2,000 per year, per beneficiary (until beneficiary reaches age 18, unless he/she is a "special needs" beneficiary). Not available to high-income families ($220,000 joint - maximum MAGI, $110,000 single - maximum MAGI)	Unlimited.	Unlimited.	2019 Limit: Age 49 and below: $6,000 Age 50+: $7,000	Maximum purchase for one bond (per calendar year): $10,000[3].
Investment Risk	Subject to market fluctuations. Level of risk will depend upon underlying investment vehicle used. It is possible that returns will be less than the rate of increase in higher education costs. No one can predict returns. There is a risk that any investor could lose part or all of the value of his or her account.	Subject to market fluctuations. Level of risk will depend upon underlying investment vehicle used. It is possible that returns will be less than the rate of increase in higher education costs. No one can predict returns. There is a risk that any investor could lose part or all of the value of his or her account.	State agencies typically guarantee the benefit, but not in all cases. Some state-sponsored prepaid plans have closed to new entrants.	Subject to market fluctuations. Level of risk will depend upon underlying investment vehicle used.	Subject to market fluctuations. Level of risk will depend upon underlying investment vehicle used.	Subject to market fluctuations. Level of risk will depend upon underlying investment vehicle used.	Subject to market fluctuations. Level of risk will depend upon underlying investment vehicle used.	Fixed rate, may not keep pace with tuition inflation. Backed by the United States government.
Control of Account	Account Owner, Custodian or Entity.	Account Owner, Custodian or Entity, but may vary by State.	Registered Owner or Custodian.	Parent/Legal Guardian. Beneficiary at age of majority (18 or 21 depending on state).	Custodian. Beneficiary at age of majority (18 or 21 depending on state).	Registered Owner or Custodian.	Registered Owner or Custodian.	Bond owner must be at least 24 years old, and the bond must stay in the purchaser's name.

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Federal Financial Aid Impact	If owned by parent, considered a parental asset. Generally assessed at up to 5.64%. Impact on financial aid can vary by institution. Please contact your institution of interest directly.	If owned by parent, considered a parental asset. Generally assessed at up to 5.64%. Impact on financial aid can vary by institution. Please contact your institution of interest directly.	If owned by parent, considered a parental asset. Generally assessed at up to 5.64%. Impact on financial aid can vary by institution. Please contact your institution of interest directly.	If a parental asset, generally assessed at up to 5.64%. If a student asset, generally assessed at 20%. Impact on financial aid can vary by institution. Please contact your institution of interest directly.	If a parental asset, generally assessed at up to 5.64%. If a student asset, generally assessed at 20%. Impact on financial aid can vary by institution. Please contact your institution of interest directly.	If a parental asset, generally assessed at up to 5.64%. If a student asset, generally assessed at 20%. Impact on financial aid can vary by institution. Please contact your institution of interest directly.	IRA assets are not counted as parental assets for federal financial aid.	Considered parental asset. Generally assessed at up to 5.64%. Impact on financial aid can vary by institution. Please contact your institution of interest directly.
Income Restrictions	None.	None.	None.	For 2019: Single filers: $110,000 Joint filers: $190,000 - $220,000	None.	None.	For 2019, if you are covered by a retirement plan at work, your deduction for contributions to a traditional IRA is reduced if your Modified AGI (MAGI) is: • More than $103,000 but less than $123,000 for a married couple filing a joint return or a qualifying widow(er). • More than $64,000 but less than $74,000 for a single individual or head of household, or • Less than $10,000 for a married individual filing a separate return.[4]	For 2019, the amount of your education savings bond interest exclusion is gradually reduced if your MAGI is between $79,550 and $94,550 ($119,300 and $149,300 if you are married). You cannot exclude any of the interest if your MAGI is $94,550 ($119,300 married).[5]

[1]Source: https://www.treasurydirect.gov/indiv/planning/plan_education.htm
[2]Strategic Insights 3rd Quarter 2019 529 Fee Analysis
[3]Source: https://www.treasurydirect.gov/indiv/planning/plan_education.htm
[4]Source: https://www.irs.gov/retirement-plans/traditional-and-roth-iras
[5]Source: https://www.irs.gov/retirement-plans/2019-ira-deduction-limits-effect-of-modified-agi-on-deduction-if-you-are-covered-by-a-retirement-plan-at-work
[6]Source: https://www.irs.gov/publications/p550