

The Schwab 529 Education Savings Plan

Saving for college or other education expenses: A 529 plan is essential for your clients

A 529 plan offers the tax advantages and flexibility to help meet your client's education savings goals.

- **Tax benefits**—With a 529 plan, tax-deferred growth allows for earnings to accumulate without incurring federal income tax. With tax-free withdrawals, your clients pay no federal taxes on withdrawals as long as they are used for qualified education expenses.
- **Account management**—As the advisor, you can make the investment selection and change it twice per calendar year as authorized by the IRS, or upon a change in beneficiary. You can change the beneficiary to another qualified family member at any time. Your client can also withdraw the funds at any time (subject to taxes and penalties).
- **Estate Planning**—Your clients can contribute up to \$15,000 (\$30,000 for married couples) annually without gift-tax consequences. Under a special election, your client can invest up to \$75,000 (\$150,000 for married couples) at one time by accelerating five years' worth of investments.

Why choose the Schwab 529 Plan?

Low costs—There are no account service fees or enrollment fees charged for the plan. The program management fees are 0.25% for index portfolios, and range from 0.40% to 1.00% for actively managed portfolios.

Investment strategy—Each of the 529 plan portfolios includes fund families primarily with Schwab's Mutual Fund OneSource service, as well as Schwab Affiliate Funds. The plan employs multiple fund families to diversify across securities, industry sectors, and investment styles.

Portfolio Management Tools—Customizable and automated 529 client data reports can be downloaded through industry leading portfolio management programs.

Low account minimums; High account maximum—Your client can open a Schwab 529 plan account with a contribution of as little as \$25. The current total contribution limit is \$402,000 per beneficiary.

Available investment approaches.

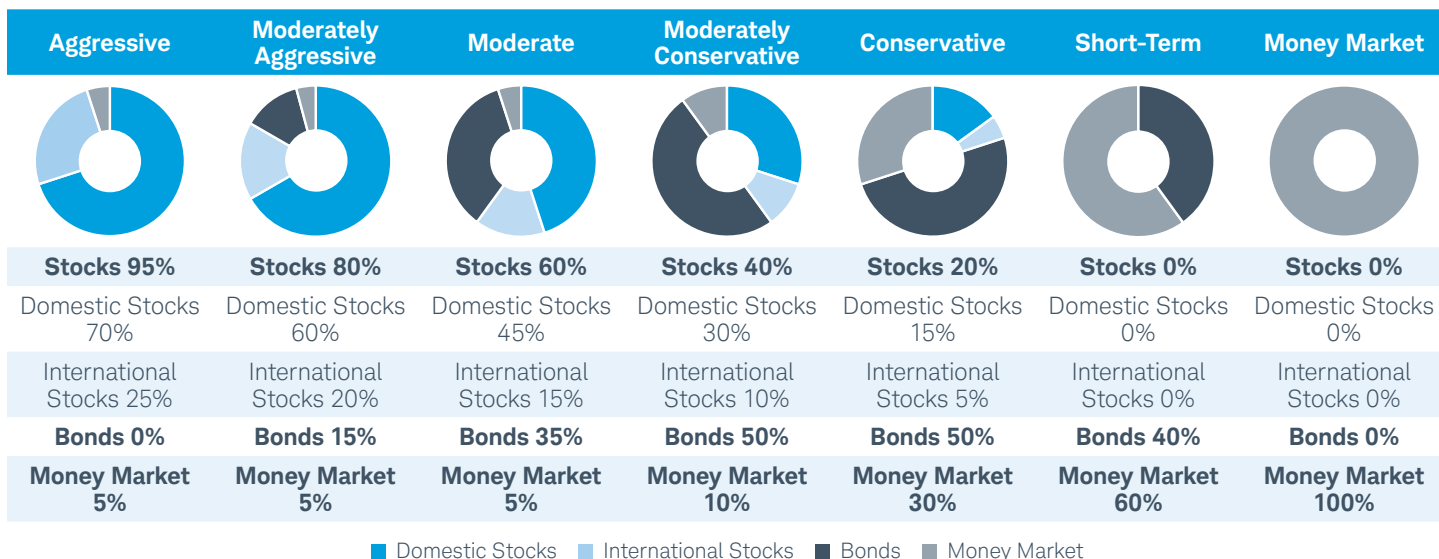
The Schwab 529 Plan offers advisors a diverse range of investment options. Advisors can select either a static portfolio or an age-based track.

With both the static and age-based options, you can choose the type of funds—actively managed or index—that best suits your client's investing style and goals.

Professional portfolio management—As the Investment Manager, American Century Investments, in conjunction with the Program Administrator, has selected specific mutual funds for each asset class in the Schwab 529 plan portfolios in an effort to balance risk and growth and meet target investment objectives. American Century Investments will rebalance the portfolio holdings as necessary to maintain a portfolio's target asset allocation and investment strategy.

Schwab 529 Plan allocation portfolios

Only the Schwab 529 Plan gives you the ability to invest in portfolios constructed on Schwab's asset allocation models.



An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the money market fund in which your investment option invests (the "underlying fund") seeks to preserve its value at \$1 per share, the underlying fund cannot guarantee it will do so. The underlying fund's sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

Your next step

For more information about the Schwab 529 Education Savings Plan, call the 529 Service Team at 888-903-3863, or visit Schwab Advisor Center®.

Before investing, carefully consider the plan's investment objectives, risks, charges, and expenses. This information and more about the plan can be found in the "Schwab 529 Education Savings Plan Guide and Participation Agreement," available from Charles Schwab & Co., Inc. at schwab.com/529 or 1-800-435-4000, and should be read carefully before investing.

If you are not a Kansas taxpayer, consider before investing whether your or the beneficiary's home state offers a 529 plan that provides its taxpayers with state tax and other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available in such state's qualified tuition program. Tax and financial aid treatment of 529 plans is subject to change.

As with any investment, it is possible to lose money by investing in this plan.

Information provided is for general purposes only and is not intended to be a substitute for specific individualized tax or legal advice. Where specific advice is necessary or appropriate, please consult a qualified tax or legal advisor.

The Schwab 529 Education Savings Plan is available through Charles Schwab & Co., Inc. and is managed by American Century Investment Services, Inc. The Plan was created by the Kansas State Legislature under the provisions of Section 529 of the Internal Revenue Code and is administered by Kansas State Treasurer Jake LaTurner.

Notice: Accounts established under the Schwab 529 Plan, and their earnings, are neither insured nor guaranteed by the State of Kansas, the Kansas State Treasurer, American Century Investments®, or Charles Schwab & Co., Inc. ("Schwab"). Accounts established under the Schwab 529 Plan are domiciled at American Century Investments and not Schwab.

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