



Welcome QCSD Parents & Guardians



Saving for Post-High School Education +
TPO Meetings

April 19th 2022 – Quakertown High School

Agenda

- Opening comments from Superintendent Dr. Harner.
- Current snapshot of college expenses today by QCHS Counselor Eric Gozzard
- Saving for Educational Expenses with the PA 529 Program by Karen Carr of the PA Treasury Department
- Q & A
- Breakout to individual school TPO meetings

APRIL 19TH @ 7PM

Combination Event: Saving for Post-High School Education + TPO Meetings for all QCSD Elementary & Middle School parents.

Parents/guardians are invited to attend this combination meeting to learn about the PA529 College Savings program (30 min) and attend the monthly TPO meetings for each individual school (60 min).

Superintendent Dr. Harner will offer opening comments.

QCSD School Counselor, Eric Gozzard, will discuss the current landscape of college expenses with Karen Carr, of the PA Treasury Department, covering saving options. TPO meetings will then commence in various classrooms at the high school. Hope to see you and answer your questions at this special event! Email Eric Gozzard at egozzard@qcscd.org if you have questions prior to April 19th.

Keynote Speaker: Karen Carr

PA Treasury Department

Outreach Specialist

Bureau of Savings Programs



TPO Meeting Rooms:

Neidig Elementary:
B102

Pfaff Elementary:
B200

Quakerstown Elent
B203

Richland Elent B204

Sixth Grade Center:
B206

Strayer Middle: B207

Trumbauersville
Elementary: B208

Disclaimer

- We are not certified financial planners
- Each family's financial situation is different
- This presentation is intended to provide basic information about savings options
- Consult a certified financial professional to address your family's unique financial situation

Begin with the end in mind...

*Excellent Student

*Many honors and AP courses

*Financial Need

*Small private university in the region

*Student living at home

*Still paying \$14,700 per year

2022-2023 FINANCIAL AID OFFER

Estimated Annual Direct Cost:

Tuition:	\$46,430
Fees:	\$ 700

Anticipated Direct Cost: \$47,130

Possible Additional Expenses:

Books & Supplies:	\$1,500
Transportation:	\$1,500
Miscellaneous/Personal:	\$850
Total:	\$3,850

, here is your Financial Aid Package, based on housing status of **Commuting**

Source	Fall 2022	Spring 2023	Total
PA State Grant-Estimate	\$2,200	\$2,200	\$4,400
Distinguished Scholarship	\$14,000	\$14,000	\$28,000
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Federal Campus Work Study**	\$1,150	\$1,150	\$2,300
Total	\$20,100	\$20,100	\$40,200

, your estimated Annual Billable Cost* after Aid is \$9,230

*If your housing status or other Direct Costs change, you could see an adjustment to your financial aid

Award	Fall	Spring	Total
Faculty Schlp	\$11,000	\$11,000	\$22,000
Grant	\$5,100	\$5,100	\$10,200
Estimated PA State Grant	\$2,070	\$2,070	\$4,140
Federal Work Study	\$1,000	\$1,000	\$2,000
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Fed Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Estim Federal PLUS Loan	\$7,538	\$7,537	\$15,075
Total	\$29,458	\$29,457	\$58,915

***Same excellent student with financial need**

***Private research based university in the region**

***Living on campus**

***Approximate total cost before aid \$60,000**

***Still paying \$20,000+ per year**

***Very good student**

***Many honors and AP courses**

***Variety of in-school and out of school activities**

***"Middle class"**

Scholarships and Grants

	\$755.00
Grant ⓘ	
Presidential Scholarship ⓘ	\$15,000.00
<hr/>	
Total Grants and Scholarships	\$15,755.00
Tuition and Fees	\$41,576.00
Room and Board	\$14,016.00
<hr/>	
Total Direct Cost	\$55,592.00
Estimated Books and Supplies	\$1,000.00
Estimated Other Expenses	\$1,800.00
<hr/>	
Total Estimated Cost of Attendance	\$58,392.00
Total Net Direct Cost	\$39,837.00

***Public out of state university**

***Estimated total costs \$58,392**

***Total net direct cost per year \$39,837**

***Over 4 years**

\$159,348



PA 529 College and Career Savings Program

*Building a Better Future
Through Education*



CURRENT AND PROJECTED ANNUAL COLLEGE TUITION COSTS



This chart compares the average annual cost of tuition for 2020-21 with projected costs in 10 and 20 years.

The chart assumes average annual tuition inflation rates: Community Colleges, 4.50%; State System of Higher Education, 4.25%; State-Related Universities Average, 6.00%; Private Four-Year Colleges, 5.25%; and Ivy League Colleges, 5.25%. Although these projections are based on historical and projected rates of tuition inflation at each type of institution, there can be no assurance that they will accurately reflect future increases. Projected tuition rates do not represent actual tuition costs at a specific school.

- Affording college is a major financial concern of American families.¹
- Money is a major reason for NOT going to college²
- Still, 9 in 10 parents expect their children to pursue higher education.²
- Kids with a dedicated savings account in their name are more likely to go to college.³
- More than 95% of jobs created during the recovery were filled by a person with at least some post-secondary education.⁴

Sources: ¹Gallup Poll - Economy and Personal Finance survey - April 2017 | ²Sallie Mae - *How America Saves for College* 2018 | ³*The Role of Savings and Wealth in Reducing "Wilt" between Expectations and College Attendance* - William Elliott III & Sondra Beverly | ⁴*America's Divided Recovery* - Georgetown University Center on Education and the Workforce

529 Plans

529 plans offer unsurpassed income tax breaks.

- Although contributions are not deductible, earnings in a 529 plan grow federal tax-free and [will not be taxed when the money is taken out to pay for college](#). As of January 1, 2018, tax-free withdrawals may also include up to [\\$10,000 in tuition expenses for private, public or religious elementary and secondary schools](#) (per year, per beneficiary), and in 2019 [student loan payments](#) and costs of apprenticeship programs were added as qualified education expenses.
- Other savings vehicles, such as mutual funds, will give up a portion of their earnings to annual income taxes and also get hit with a capital gains tax at withdrawal.
- This has been a huge incentive for Americans to save for college. The tax treatment was made permanent with the [Pension Protection Act of 2006](#).

529 Plans

Everyone is eligible take advantage of a 529 plan.

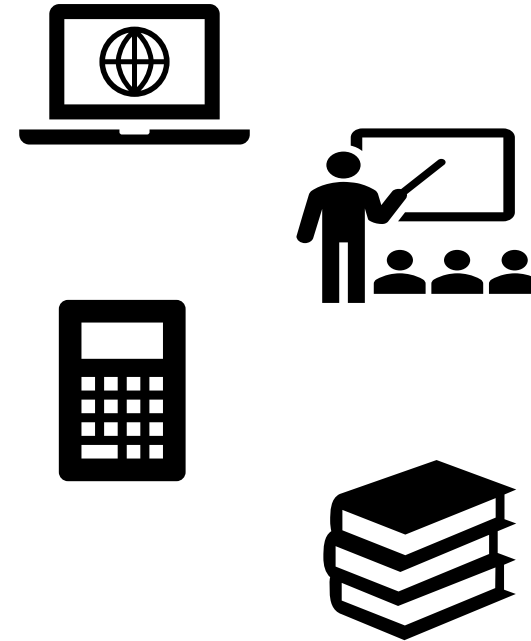
Unlike [Roth IRAs](#) and Coverdell Education Savings Accounts, 529 plans have no income limits, age limits or annual contribution limits.

There are [lifetime contribution limits](#), which vary by plan, ranging from \$235,000 – \$550,000.

Those [looking to reduce estate taxes](#) can elect treat a 529 plan contribution of between \$16,000 and \$80,000 as if it were made over a five calendar-year period to qualify for the annual gift tax exclusion.

Families Can Use PA 529 Funds for a Variety of Expenses

- Tuition
- Mandatory fees
- Room and board
- Required books/supplies/equipment, including computers
- Special needs expenses
- K-12 Tuition up to \$10,000 per year
- Certain expenses for a registered and certified apprenticeship program
- Repayment of principal and interest of qualified education loans up to a lifetime limit of \$10,000
- Use at qualified educational institutions.



Tax Advantages and Benefits of a PA 529 Account

- Pennsylvania state-tax deduction – up to \$16,000 per taxpayer, per child.
- Earnings grow state/federally tax deferred and state and federal tax-free when used for qualified expenses.
- Can be used in PA or out-of-state, including many career schools and more.
- No contribution or income restrictions.
- Only PA 529 savings are not counted on the PA financial aid application.
- Free reward programs allow for accelerated earning and discounts.



1) Open an account

- Online at www.PA529.com
- No minimum to enroll; maximum \$511,758

2) Make contributions

- Any amount of at least \$1 at any time
- Set up payroll deduction or automatic bank withdrawals
- Have family and friends help through Ugift

3) Maintain account over time

- PA 529 GSP – Grows with college tuition inflation. Adjust tuition level if needed.
- PA 529 IP – Grows with financial markets. Adjust investment portfolios if needed.

4) Use the account for education expenses

- Account owner directs who gets paid, how much, and when



PA Residency: Required for AO/Bene

Investment Manager: Treasury

GSP Fees: Free to enroll

- 0.40% annual w/ paper delivery
- *0.30% annual w/ e-delivery

Growth: with college tuition inflation



PA Residency: Not required

Investment Manager: Vanguard

IP Fees: Free to enroll

- 0.210% - 0.310% annual
- \$10/annual (waived w/ e-delivery*)

Growth: financial markets


PA 529 Guaranteed Savings Plan

A lower-risk plan - Savings help keep pace with rising college tuition.



- No minimum to get started
 - Low fees
- Managed by PA Treasury
- More than 130% funded

Guaranteed Savings Plan Resources and Information



[LEARN](#)[PLAN](#)[GUARANTEED SAVINGS PLAN](#)[INVESTMENT PLAN](#)[RESOURCES ▾](#)[ENROLL](#)[MY ACCOUNT](#)[FAQS](#)

Account owners may use 529 savings to pay for certain expenses for a registered and certified apprenticeship program as well as for repayment of principle and interest of qualified education loans for a 529 beneficiary or sibling up to a lifetime limit of \$10,000. Read the plan disclosure statement for details.

How Much Should I Save? The PA 529 GSP helps you know how much you need to save for higher education, and how close you are to your goal, by choosing a tuition level when you enroll. You may choose from five different levels, including Pennsylvania community colleges, state universities and private colleges.

But you're not locked in – you can change the tuition level at any time. Whenever a change is made, your contributions are recalculated as if the new tuition level had been in effect since you opened your account. Most often the recalculation will change both your earnings rate and the dollar value of your account available to pay for qualified education expenses.


GSP Tuition Credits. Each time you make a contribution, it's divided by the GSP credit rate for the tuition level you've selected, and the number of GSP credits accumulates. For most four-year colleges, 96 GSP credits will cover four years of tuition; for community colleges, you would generally need 60 GSP credits for an associate degree. For example, if you saved enough for six GSP credits each year at one tuition level, in 16 years you would have 96 GSP credits at that tuition level – enough to cover four years of tuition on average. Some GSP credit rates include a premium to make sure the fund can meet its obligations. [See current GSP Credit Rates for each tuition level.](#)

**In order for the growth on contribution to be used for qualified withdrawals, a "maturity period" ranging from approximately nine months to approximately eighteen months must elapse from the date that the contribution was made to the time the contribution was withdrawn to pay qualified education expenses. Please see the [PA 529 GSP Disclosure Statement](#) for more information.*


1 (800) 440 4000
PAGSP@treasury.gov

RESOURCES


GSP ENROLLMENT GUIDE
DOWNLOAD




GSP DISCLOSURE STATEMENT
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GSP CREDIT RATES 2021
DOWNLOAD




GSP CREDIT RATES 2020
DOWNLOAD




GSP ACTUARIAL REPORT
DOWNLOAD



ANNUAL REPORT
DOWNLOAD



FAFSA.ED
LINK





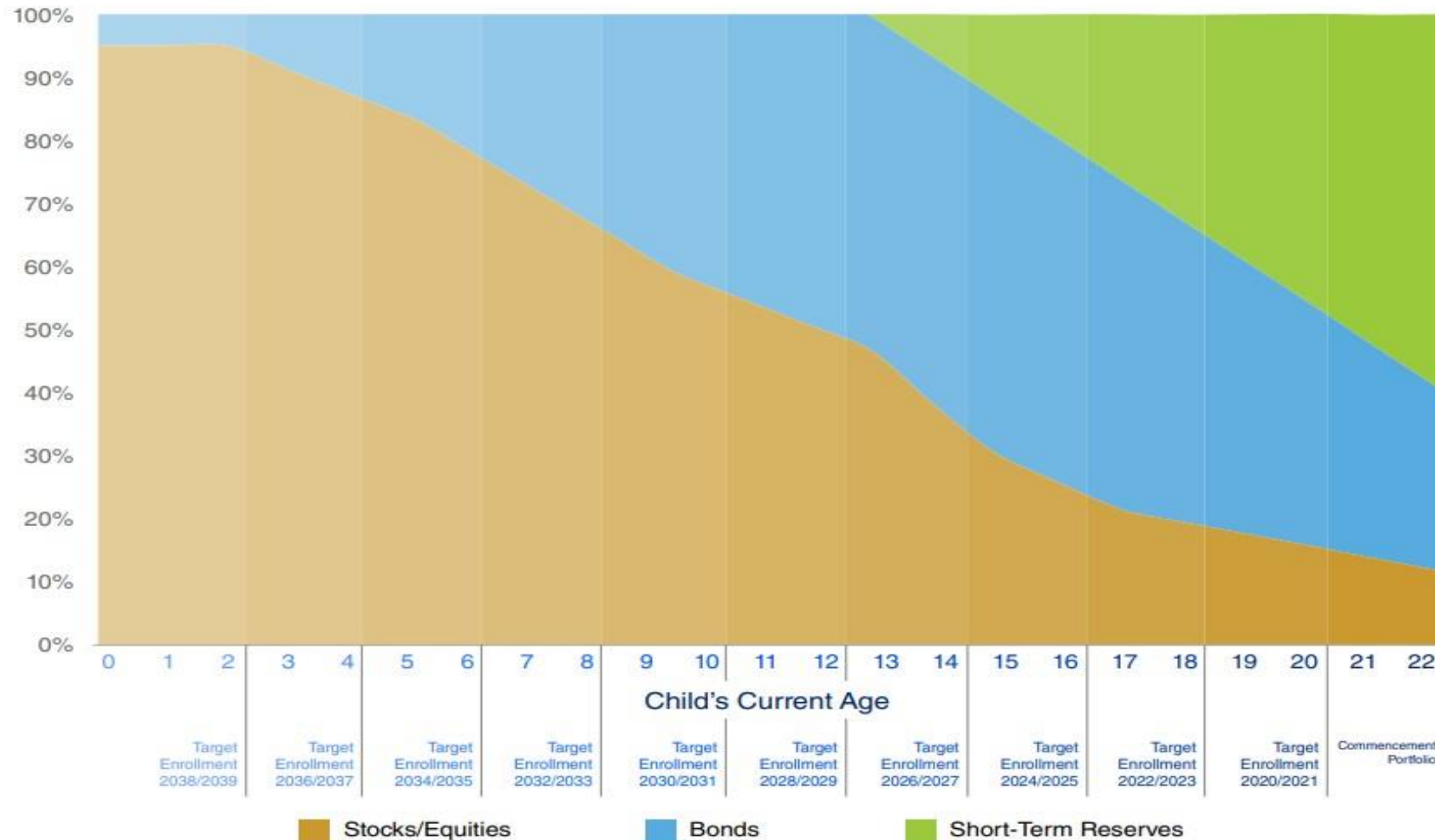
Returns (vs. growth) subject to financial market performance

Wide array of investment options with various asset allocations:

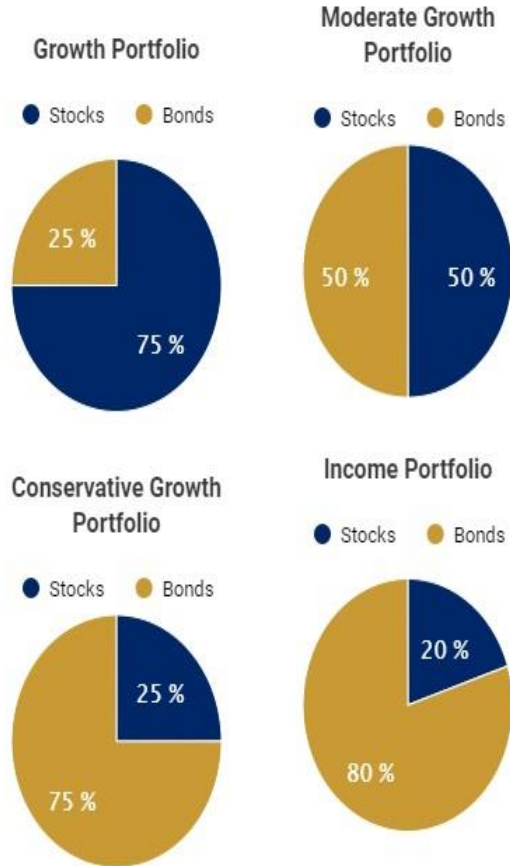
- Target Enrollment Date Options
- Fourteen fixed-allocation options

Target Enrollment Date Portfolios

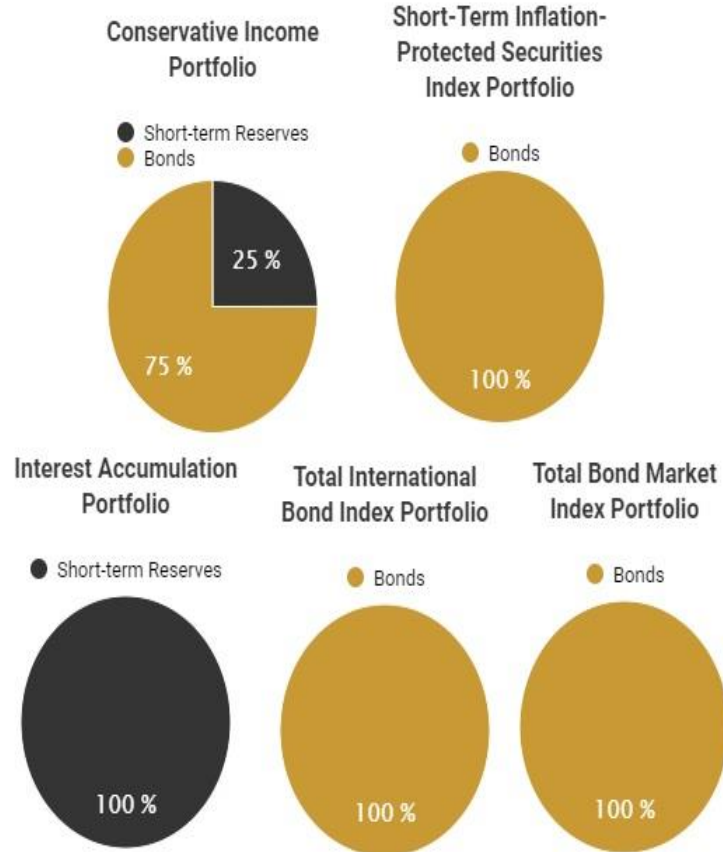
TARGET ENROLLMENT DATE PORTFOLIO GLIDE PATH



Blended Stock and Bond Portfolios



100% Bond and Short-Term Investment Portfolios



100% Stock Portfolios



Investment Plan Resources and Information

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PA 529 Investment Plan Rating Upgraded by Morningstar™ in 2020 to Silver and Considered “Best in Class” Plan.¹

The PA 529 Investment Plan (IP) has received, for the first time in its history, a Morningstar Silver Rating™ in its review of [Top 529 College Savings Plans for 2020](#). As one of only 14 plans nationwide to earn Silver or Gold, the rating puts the PA 529 IP among an elite group of 35 “Best in Class” plans rated by Morningstar™.

The PA 529 IP is one of only three plans that experienced an upgrade from neutral to silver in just two years.

Morningstar rates 529 plans based on four key pillars: Process, People, Parents, and Price. According to [Morningstar’s analysis](#), the PA 529 IP’s rating was upgraded to a Morningstar Silver Rating™ based on shrewd design, diligent stewardship, and compelling fees. Morningstar™ also highlighted some of PA 529’s unique benefits, including a rewards program and the Keystone Scholars program, which provides a \$100 starter deposit to a PA 529 account for every baby born to a Pennsylvania family starting in 2019.

RESOURCES

[IP ENROLLMENT GUIDE](#)
DOWNLOAD

[IP DISCLOSURE STATEMENT](#)
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[ANNUAL REPORT](#)
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[TARGET ENROLLMENT DATE
PORTFOLIOS UNDERLYING FUND
HOLDINGS](#)
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[CURRENT INVESTMENT PLAN
PERFORMANCE](#)
LINK

[MORNINGSTAR ANALYST REPORT](#)
LINK

Savings Adds Up Over Time



By saving as little as \$25 per month for 18 years, you could have more than \$10,000 by the time the child turns 18.

The Pennsylvania Treasury Department's Savings Programs
are here to help you build a better future.



Thank You

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www.pa529.com

800-440-4000

www.paable.gov

855-529-2253



PENNSYLVANIA TREASURY | BUREAU OF SAVINGS PROGRAMS



This presentation provides only highlights of the PA 529 College and Career Savings Program.

The Pennsylvania 529 College and Career Savings Program sponsors three plans – the PA 529 Guaranteed Savings Plan (GSP), the PA 529 Investment Plan (IP), and Keystone Scholars. The guarantee of the PA 529 Guaranteed Savings Plan is an obligation of the GSP Fund, not the Commonwealth of Pennsylvania or any state agency. Before investing in either PA 529 plan, please carefully read that plan's disclosure statement (available at www.PA529.com or by calling 1-800-440-4000) to learn more about that plan, including investment objectives, risks, fees, and tax implications.

Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.