

529 PLANS – THE NEW VERSUS THE OLD

By: DAN VELCHECK, CPA

The recently passed Tax Cuts and Jobs Act has changed the way in which you can use 529 plans. Prior to its enactment, the use of a 529 plan was limited to paying for qualified post-secondary education expenses. Now the federal government has changed the law to allow an individual to withdraw up to \$10,000 for each beneficiary of an account, or accounts, per year to pay for tuition for kindergarten through twelfth grade.

While this sounds simple enough, what does it mean for state-administered 529 plans such as the Missouri MOST program? Currently, Missouri MOST has not updated its guidance to provide any clarity as to how the changes will apply. For example, Missouri still offers a state income tax deduction for contributions to the MOST program (limitations apply) that are ultimately used for K-12 qualified education expenses.



To ensure you are making the correct decision when withdrawing from a 529 plan to pay for K – 12 expenses it is recommended that you consult your tax advisor. If you have any questions on this or any other business or tax issue, please contact your Account Manager or [Dan Velcheck, CPA](mailto:Dan.Velcheck@connerash.com), at (314) 205-2510 or via email at dvelcheck@connerash.com.