COLUMBIA THREADNEEDLE INVESTMENTS

Your success. Our priority.

A guide to reaching your expected family contribution (EFC) goal

Your estimated EFC is the amount you are solely responsible for per student for each year of college, according to the Free Application for Federal Student Aid (FAFSA). The cost may surprise you, but there are ways you can prepare:

- Start saving now, while there is still time to plan.
- A separate savings vehicle, not in the child's name, may be most advantageous.
  - When children own custodial accounts, they have an EFC of 20% of that asset each year.
  - 529s in the parent's name are never factored at more than 5.64% when determining EFC.
  - If a 529 is owned by a grandparent or other relative, it does not count toward the EFC; however, withdrawals from the 529 will be counted as student income in calculating the EFC.
- Even students who don't qualify for needs-based aid may qualify for merit-based grants, which are not contingent on financial need and can have a significant impact on need-based financial aid.
- Parents with a complete understanding of college costs are better positioned to include grandparents in the college savings process. Using advanced gifting strategies, grandparents may be able to offer a grandchild a choice in college selection while enjoying certain estate-planning benefits.

To learn more about college savings planning with a 529 plan, contact your financial advisor.

To find out more, call 888.244.5674
or visit columbiathreadneedle.com/investor

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You should consider the investment objectives, risks, charges and expenses associated with any 529 plan investment before investing. Ask your financial advisor for a 529 plan program brochure, which provides this and other important information. The program brochure should be read carefully before investing. You should also consider, before investing, whether the investor's or designated 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 such state's qualified tuition program.

Investment decisions should always be made based on an investor's specific financial needs, objectives, goals, time horizon and risk tolerance. A 529 plan is not the only way to save for college and may not be suitable for all investors.

Please remember there's always the potential of losing money when you invest in securities.

Columbia Threadneedle Investments does not offer tax or legal advice. Consult with a tax advisor or attorney.

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