

| Type of Account                            | Income Limits   | Contribution Limits              | Income Tax Treatment   | Control  | Investment Flexibility   | Uses   | Ability To Change Benefic. | Penalties on Non-Qualified Withdrawals                         | Rollovers   |
|--|---|----------------------------------|--|--|--|--|----------------------------|--|---|
| 529  | None  | \$250,000 per beneficiary        | Earnings can grow tax free, and withdrawals for qualified higher education expenses are free from federal tax.   | Owner maintains control of the assets, decides when withdrawals will be made and can change the beneficiary. | You can change your assets among funds once each calendar year or when you change the beneficiary. | Higher education expenses, such as tuition, books, and room and board.   | Yes                        | Ordinary income taxes & a federal tax penalty on earnings      | Yes. Allowed once every 12 months or when you change the beneficiary. |
| <b>Coverdell Education Savings Account</b> | Ability to contribute is phased out for married couples with incomes between \$190,000 & \$220,000 & for individual with incomes between \$95,000 & \$110,000 | \$2,000 per year per beneficiary | Earnings can grow free from tax & withdrawals for qualified elementary, secondary & higher education expenses are free from federal tax  | Beneficiary may assume control at age of majority (18 or 21 in most states).                                 | You can change your assets as often as you want  | Education expenses, including tuition, books & room and board for kindergarten through high school, college and graduate school. | Yes                        | Ordinary income taxes & a 10% federal tax penalty on earnings. | Yes. Allowed once every 12 months.                                    |
| <b>UGMA/UTMA</b>                           | None  | None                             | For children under 18, the first \$850 of earnings is tax free. Earnings between \$850 & \$1700 are taxed at the child's rate; earnings above \$1700 are taxed at the parent's rate. All earnings for children age 18 & older are taxed at the child's rate. | Beneficiary assumes control at age of majority (18 or 21 in most states).                                    | You can move assets as often as you want, but each transfer usually is a taxable event.            | Any use that benefits the child.   | No.                        | Not Applicable.  | No.   |