



# ACCELERATED GIFTING

## HOW TO MAKE THE MOST OF YOUR 529 CONTRIBUTION

### ACCELERATED GIFTING

lets you contribute up to 5x the federal annual gift tax exclusion — gift-tax-free.



### COMPARE YOUR OPTIONS

	ANNUAL GIFT TAX EXCLUSION FOR 2023	ACCELERATED GIFTING TAX EXCLUSION LIMIT*
INDIVIDUAL	\$17,000 MAX PER DONEE PER YEAR	\$85,000 (\$17,000 x 5)
MARRIED COUPLE	\$34,000 MAX PER DONEE PER YEAR	\$170,000 (\$34,000 x 5)

YEAR	GIFTING YEAR	CONTRIBUTION	YEAR-BY-YEAR EXCLUSION
2023	1	\$170,000	\$34,000
2024	2	\$0	\$34,000
2025	3	\$0	\$34,000
2026	4	\$0	\$34,000
2027	5	\$0	\$34,000

### A REAL-WORLD EXAMPLE

The Sullivans want to contribute to their grandson's college education *and* potentially reduce their taxable estate at the same time. So they open a 529 plan for Jack. At the end of 2023, they make an upfront contribution of \$170,000. Accelerated gifting allows the Sullivans to maximize the initial contribution without gift tax consequences and potentially removes \$170,000 from their combined taxable estate.

\*Maximum accelerated gifting uses the donor's annual gift tax exclusion for gifts to the beneficiary for the current year and next four years. Any further gifts from the donor to the beneficiary during the five-year period may require filing a gift tax return, unless the annual gift tax exclusion amount increases. To fully remove the contributions from the donor's taxable estate, the donor must survive to January 1 of the fifth calendar year.



## USE ACCELERATED GIFTING TO:

- Help family members or friends reach their higher education goals faster
- Potentially remove hundreds of thousands of dollars from your taxable estate
- Retain full ownership and control of the accounts you've opened
- Take advantage of the power of federal income tax-free compounding over time and tax-free qualified withdrawals
- Avoid generation-skipping transfer tax and a reduction in your unified credit by staying within your annual gift tax exclusion



## FREQUENTLY ASKED QUESTIONS:

**Q: Which form should I file?**

A: To make your five-year gift election, discuss IRS Form 709, the United States Gift (and Generation-Skipping Transfer) Tax Return, with your tax advisor.

**Q: Can I make a gift to more than one person?**

A: Yes. You can make an accelerated gift to more than one 529 account by naming different beneficiaries.

**Q: Will I get a state tax deduction on my gift?**

A: Your 529 contributions may be eligible for a state tax deduction, credit or other benefit, depending on state-specific rules and your circumstances. Ask your tax advisor for specifics.

To find out more, call **888.244.5674** or visit **[columbiathreadneedle.com](http://columbiathreadneedle.com)**



**Please consider the investment objectives, risks, charges and expenses carefully before investing. Contact your financial advisor or visit [columbiathreadneedle.com](http://columbiathreadneedle.com) for a Program Description, which contains this and other important information about the Future Scholar 529 College Savings Plan. Read it 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 benefits that are only available for investments in such state's qualified tuition program.**

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**Not FDIC or NCUA Insured | No Financial Institution Guarantee | May Lose Value**

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