



Getting ahead takes getting started.

CollegeBound|Saver

Rhode Island's 529 College Savings Plan

Ready. Set. Start.

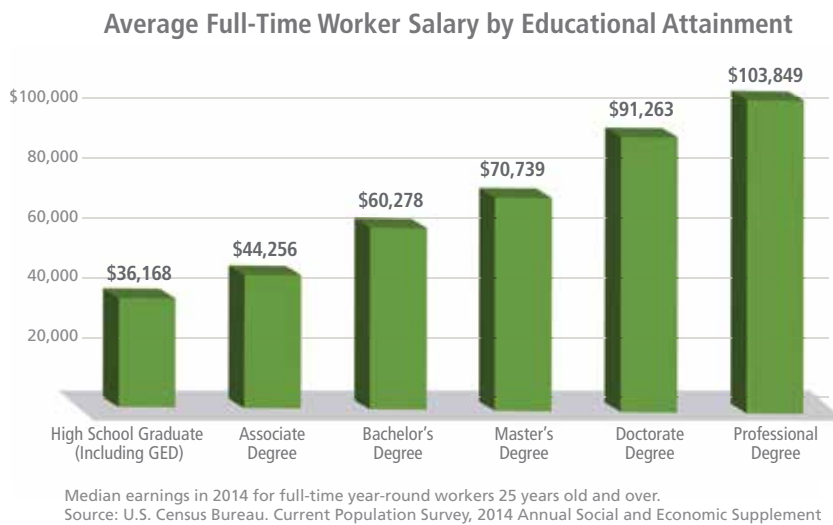
CollegeBound Saver
makes it easy to save
and stick with it.

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Get ahead, stay ahead.

The cost of higher education has never been higher. Fortunately, neither has its value. College graduates earn, on average, nearly \$1 million more in their lifetimes than those with a high school degree.¹

Earnings by education: What's a college degree really worth?



To give your child a head start, start saving now with CollegeBound Saver.

Helping your child pay for a college degree takes more than hope. It takes a plan – one that makes it easier to save for the future and still pay your bills today.

CollegeBound Saver gives families a simple way to save for rising college and vocational school costs, with special features like:

- Significant tax advantages, from tax-deferred growth to tax-free qualified distributions²
- No minimum contribution amounts
- Flexible investment choices
- Easy online enrollment and management, and much more.



\$47,831: The average cost of a four-year, private college, including tuition, room and board, and other fees.

Source: College Board, 2015-16



Savers are college bound: Students with a college savings account are seven times more likely to attend college.

Source: Center for Social Development, Washington University, 2010

¹Georgetown University Center on Education and the Workforce, May 2015.

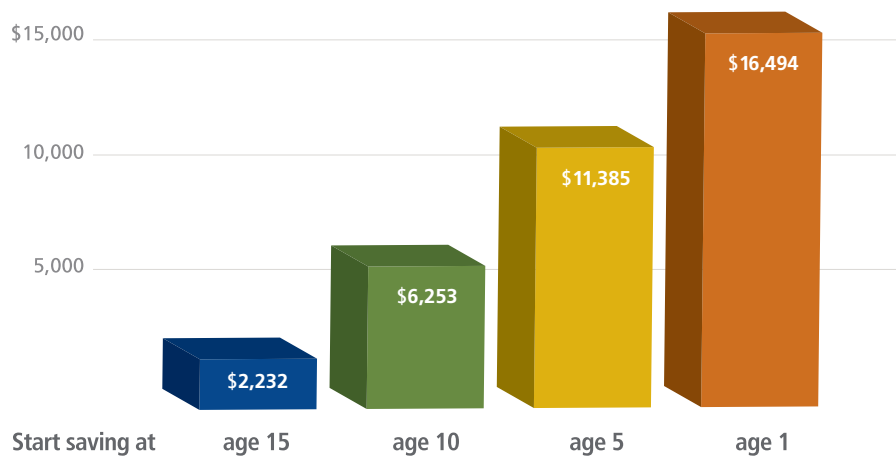
²Earnings on non-qualified distributions may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. Tax and other benefits are contingent on meeting other requirements and certain distributions are subject to federal, state, and local taxes.

Your best strategy to save for college? Start.

Little by little, a CollegeBound Saver account can make a difference – and the earlier you start saving, the better it can be. That’s because 529 plans like CollegeBound Saver benefit from the power of compounding. With compounding, you continually invest your returns, and those returns may earn even more returns.

Small contributions on a regular basis can compound over time.

The Importance of Saving for College Early



As you can see in this hypothetical chart, if an account owner began to save \$50 a month when a child was 1 year old (with an initial contribution of \$250), a 529 college savings plan could potentially have an account worth \$16,494 by the time the child was college age.³

Open a CollegeBound Saver account.

Then, make Recurring Contributions automatically each month, or whenever you can. You can also set up payroll direct deposit through a participating employer.⁴

³This hypothetical example assumes college begins at age 18 and is based on a 5 percent rate of return compounded annually, and is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or taxes, if any, payable upon distribution.

⁴A plan of regular investment cannot assure a profit or protect against a loss in a declining market.

Save on taxes while saving for college.

Would you rather spend your money on taxes, or on tuition? At CollegeBound Saver, we offer several tax advantages that can benefit you even before your child or grandchild goes off to college. These include:

State tax deduction

Rhode Island taxpayers who are account owners are eligible for a deduction in computing state income tax of up to \$1,000 for married couples filing jointly and \$500 for individual filers for contributions to their CollegeBound Saver account.⁵

Tax-deferred growth

Earnings grow tax-deferred from federal and state taxes.

Tax-free distributions

Distributions for qualified expenses are exempt from federal and state tax.⁶

Gift-tax benefits

Contributions qualify for the federal \$15,000 annual gift exclusion.

Estate planning benefits

Reduce your personal taxable estate by making five years' worth of gifts (up to \$75,000; \$150,000 for married couples filing jointly) in one lump sum.⁷

You control how you save and spend your money

- You choose how you want your money invested.
- You determine when to withdraw funds.
- You decide which qualified education costs to use the funds for.
- You can change the beneficiary to another eligible family member.⁸
- You can contribute, exchange assets,⁹ make qualified distributions, and update your personal information online, 24/7.
- You can use the assets in your CollegeBound Saver account at any eligible 2- and 4-year college, graduate school (including law and medical), and vocational/technical school.¹⁰

⁵Subject to certain conditions and requirements, contributions in excess of the annual limit can be carried forward and deducted in future years. If an account owner makes a non-qualified distribution or certain transfers or rollovers to another state's program, the amount of the deduction may be "recaptured" and included in the account owner's Rhode Island income.

⁶Earnings on non-qualified distributions may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. Tax and other benefits are contingent on meeting other requirements and certain distributions are subject to federal, state, and local taxes.

⁷In the event you do not survive the five-year period, a pro-rated amount will revert back to your taxable estate.

⁸See the Program Description for the definition of an eligible family member (Member of the Family).

⁹Federal law permits you to move the assets in your CollegeBound Saver account to a different mix of investment options twice per calendar year.

¹⁰An eligible institution is one that can participate in federal financial aid programs.

What kind of college saver are you?

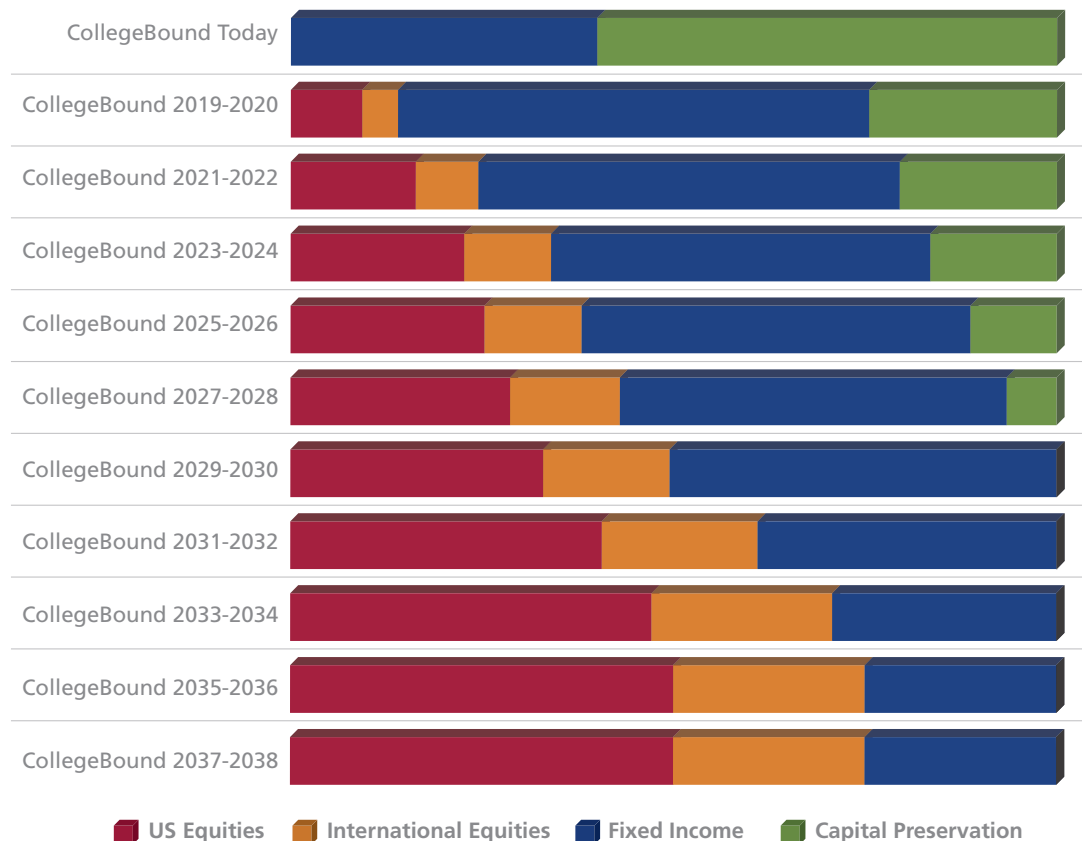
At CollegeBound Saver, we want you to be comfortable with your college savings account. So we offer a range of investment options to match both your time horizon and your comfort level with risk.

Age-Based Portfolios change with your child.

Early on, many investors prefer a more aggressive mix of stocks – and the potential growth that comes with it. As children approach college age, these same investors often shift their priorities from growing college savings to preserving it.

CollegeBound Saver manages the portfolio allocation among US equities, international equities, fixed income and capital preservation options to gradually become more conservative as the expected date of college enrollment nears.

Age-Based Portfolios Asset Allocation





Target Risk Portfolios put you on a consistent path.

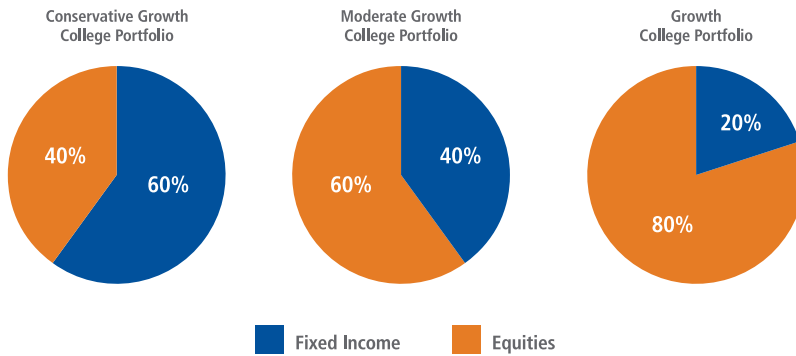
Would you like to stay true to your goals and risk tolerance, regardless of your child’s age? Consider the Target Risk option.

Unlike the Age-Based Portfolios, which become more conservative as your child nears college, Target Risk Portfolios remain fixed in the portfolio unless and until you direct us to exchange into another portfolio. Choose from three investment portfolios:

- Conservative Growth Portfolio
- Moderate Growth Portfolio
- Growth Portfolio

Each portfolio invests in a single Vanguard LifeStrategy Fund with a preset asset allocation of equities, fixed income and capital preservation.

CollegeBound Saver Target Risk Portfolios



Current allocations may differ.

Individual Portfolios give you a more active role.

This option lets you choose from eight investment options to create your own personalized investment mix. Each Individual Portfolio is invested in a single underlying fund.

Individual Portfolios



Free programs to make saving even easier.

Turn special days and everyday purchases into college savings.



529 rollovers: It's easy to transfer funds from another 529 plan. Visit collegeboundsaver.com for details.



What's enough? Use our College Savings Planner to see what college might cost for you. Visit collegeboundsaver.com.

Ugift® – Give College Savings

This free-to-use service makes it easy for family and friends to contribute to your child's college savings. Instead of giving the usual toys, clothes or checks at birthdays and holidays, gift givers can contribute directly to your CollegeBound Saver account.

Upromise® by Sallie Mae®

Earn money toward college savings by shopping and dining out the way you do now. Just link your Upromise account with your CollegeBound Saver account to transfer savings automatically on a periodic basis (minimum transfer: \$25). **Join for free at upromise/collegeboundsaver.com.**¹¹

CollegeBoundbabySM: Investing in Rhode Island's children

Every child deserves a bright future, and bright futures can begin with education. CollegeBoundbaby helps families start saving for higher education in the first year of their child's life, giving their savings the most time to grow.

Administered in collaboration with the Rhode Island Office of the General Treasurer, CollegeBoundbaby helps families get an early start on saving for their child's higher education by offering a one-time \$100 grant to be used for qualified higher education expenses to every baby born to or adopted by Rhode Island families.

Visit collegeboundbaby.com to learn more and enroll.¹²

¹¹Upromise is an optional service offered by Upromise, Inc., is separate from CollegeBound Saver, and is not affiliated with the Program Manager or the State of Rhode Island. Specific terms and conditions apply. Participating companies, contribution levels, terms, and conditions subject to change without notice.

¹²The grant will be held and invested by the Office of the Rhode Island General Treasurer in a CollegeBound Saver master account on behalf of the child until the child is ready to attend a higher education institution.



Commonly asked questions.

How much do I need to open an account?

There are no minimum investment amounts. You can also establish a Recurring Contribution from your bank account or via payroll direct deposit if your employer supports it.

Who can open a CollegeBound Saver account?

U.S. citizens and resident aliens 18 years old or older with a Social Security number or taxpayer identification number and a U.S. street address. There are NO income limits. Parents, grandparents, other family, and friends can open an account for anyone they choose.

How can I use the money in my account?

That's up to you. However, to qualify for federal tax-free distributions and avoid penalties,¹³ the money must be used for qualified higher education expenses for the beneficiary at an eligible educational institution.

Does my child have to attend college in Rhode Island?

No. You can use the assets in your account toward the costs of higher education institutions nationwide, as long as the student is enrolled in a U.S.-accredited college, university, graduate school, or technical school that is eligible to participate in U.S. Department of Education student financial aid programs.

What if my beneficiary does not go to college immediately after high school?

There are no restrictions on when you can use your account to pay for college expenses.



What if my beneficiary decides not to go to college?

You have three options:

- **Stay invested.** Leave the money in the account in case the beneficiary decides to attend school later. There are no age or time limits for using the money.
- **Change the beneficiary.** Name a new beneficiary on your account, provided that the new beneficiary is an eligible family member of the former beneficiary.
- **Withdraw the money for other uses.** The earnings portion of a distribution not used for a beneficiary's qualified higher education expenses is subject to federal and state income taxes and may be subject to a 10% federal penalty tax.

Ready to get started?

Use time and CollegeBound Saver's many tax benefits to your advantage by opening an account today.

It's easy:

1. Read the Program Description for important details about the plan.
2. Enroll at www.collegeboundsaver.com or mail an enrollment form with your contribution to:

CollegeBound Saver
P.O. Box 55986
Boston, MA 02205-9714

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.

For more information about CollegeBound Saver, call 877-517-4829, or visit collegeboundsaver.com to obtain a Program Description, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing.

CollegeBound Saver is administered by the office of the Rhode Island General Treasurer and the Rhode Island State Investment Commission. Ascensus College Savings Recordkeeping Services, LLC ("ACSR"), the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations including recordkeeping and administrative services. Invesco Advisers, Inc. serves as the Investment Manager. Ascensus Broker Dealer Services, LLC ("ABD") markets CollegeBound Saver.

CollegeBound Saver's Portfolios invest in: (i) exchange-traded funds, (ii) mutual funds and (iii) separate accounts. Investments in CollegeBound Saver are municipal securities that will vary with market conditions. Investments are not guaranteed or insured by the State of Rhode Island, the Office of the General Treasurer of Rhode Island, the Rhode Island State Investment Commission.

Upromise is an optional service offered by Upromise, Inc., is separate from CollegeBound Saver, and is not affiliated with the Program Manager, its affiliates, or the State of Rhode Island. Terms and conditions apply to the Upromise service. Participating companies, contribution levels, and terms and conditions are subject to change at any time without notice. Transfers from Upromise to a CollegeBound Saver account are subject to a \$25 minimum.

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CollegeBound|Saver



State of Rhode Island
Office of the General Treasurer
Seth Magaziner

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