

Comparison Chart of Education Savings Options

	Post-9/11 GI Bill	Yellow Ribbon Program	Coverdell Education Savings Account	529 Education Savings Plan	Pre-Paid Tuition Plans
What is it?	An education benefit program for individuals who served on active duty after Sep 10, 2001	Provides additional education expense support to those who qualify & use the Post-9/11 GI Bill	A tax-deferred trust account created by the U.S. government to assist families in funding educational expenses	A tax-advantaged savings account designed to fund education expenses	Prepaid Tuition Plans can only be used at specific schools or state college systems
Who can contribute?			Anyone	Anyone	Anyone
Who can you save for?	You, Your Spouse, Your Children	You, Your Spouse, Your Children	Anyone under 18	Anyone	Anyone
Must use for education	✓	✓	Must be distributed by age 30	✓	✓
Tax-deferred growth			✓	✓	Guaranteed rate by state
Federal tax-free withdrawals*			✓	✓	✓
Portable	✓	✓	✓	✓	Varies among states
Automatic investments			✓	✓	Varies by plan
Annual contribution limit			\$2,000	Lifetime limits	High Lifetime Limits
Income limit			✓		
Ability to change beneficiaries			✓	✓	✓
Account owner control			Until beneficiary turns 18	✓	✓

Source: Department of Veteran Affairs, <https://www.collegesavings.org/common-529-questions/#529PrepaidPlans>, IRS Publication 970 (<https://www.irs.gov/pub/irs-pdf/p970.pdf>)

*For qualified education expenses.

Note: This is not an exhaustive list. For illustrative purposes only.

What Expenses Qualify?

	Post-9/11 GI Bill	Yellow Ribbon Program	Coverdell Education Savings Account	529 Education Savings Plan	Pre-Paid Tuition Plans
Tuition and Fees	✓		✓	✓	✓
K-12 Tuition			✓	✓	
Tutoring	✓		✓		
Books	✓		✓	✓	Varies by institution
Supplies	✓		✓	✓	Varies by institution
Test Fees	✓		✓		
Housing/Room & Board	✓			✓	Varies by institution
Vocational/non-college/apprenticeship	✓			✓	
Higher private-school or out-of-state tuition		✓	✓	✓	Varies by plan
Computer Technology			✓	✓	
Equipment			✓	✓	Varies by institution
Internet access required by institution			✓	✓	
Uniforms			✓		
Transportation			✓		
Extended Day Programs			✓		
College tuition at any of the sponsoring state's eligible colleges or universities					✓
Up to \$10,000 in student loan debt				✓	

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Qualified expenses are based on Federal tax rules. State tax laws vary. Not all expenses listed will qualify in all states.

Education Savings Resources



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IRS Publication 970

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