All 529 college savings plans are designed to help you invest for college, but not all plans are created equal. Each state plan varies by tax benefits, investment options, performance and fees.

You generally don’t have to be a resident of a particular state to invest in a specific plan. For example, a resident of New Jersey can invest in New York’s 529 Advisor-Guided College Savings Program. Certain states, however, may offer incentives for residents or beneficiaries selecting their home state’s plan. Be sure to consult your tax advisor or review the state’s program documents for further details.

Consider the following guidelines to help you select the plan that is most appropriate for you.

**In-State Resident Benefits**

In addition to federal tax benefits, some states may offer their residents additional incentives for selecting their home state’s plan, such as a state income tax deduction or credit for investing.

The value of a state tax benefit may vary from state to state. Benefits are generally applicable to direct-sold plans purchased by an individual from the state and advisor-sold plans or those purchased through a third party. Certain states may offer matching grant programs or scholarships, but these incentives might be limited or unavailable for residents at specific income levels.

When evaluating a particular state’s plan, you should weigh any potential tax advantages with other features, such as quality of investment options and plan fees, in order to make an informed decision. You may discover that your state plan offers attractive tax benefits, but has higher fees than another state’s plan. It is important to work with your J.P. Morgan Private Client Advisor to select the best plan for your particular situation.
WORKING WITH AN ADVISOR OR TAKING A “DO-IT-YOURSELF” APPROACH

One important decision to make when choosing the right college savings plan is whether you would like to work with an advisor or take a “do-it-yourself” approach with a direct-sold plan. Direct-sold plans usually offer lower expenses, while those offered by an advisor include sales charges, making them more costly. However, there are potential benefits to working with an advisor: He or she can help you select the 529 plan and investments best suited to your goals and risk preferences. An advisor can also help make sure your savings plan is consistent with your other investments and that the overall risk profile of your investments remains within your specified limits.

INVESTMENT LINE-UP

While most plans offer a choice of portfolios to select from, some plans offer a wider range of investments than others. When evaluating a plan’s investment options, look for strategies that are most closely aligned with your needs and goals. For example, if you are uncomfortable selecting your own allocations, consider an age-based portfolio where account assets are automatically invested along a risk-adjusted time horizon, based on the age of your child and the date when he or she will need the funds. If you’re working with your J.P. Morgan Private Client Advisor on a savings plan, he or she can help evaluate the portfolio options and determine which strategy will work best for you.

PERFORMANCE

Typically, 529 college savings plan portfolios provide a documented history of performance, as well as performance history of the portfolio’s underlying investments. Remember, past performance is not indicative of future results and does not guarantee investment returns. In addition to performance, be sure to consider the background and experience of investment managers, as well as the consistency of their track records.

FEES AND EXPENSES

529 college savings plans charge their investors various fees and expenses. These charges can vary between plans, but may include account fees, one-time enrollment/annual maintenance fees, asset management fees, program management fees, and state administrative fees.

HOW TO CHOOSE A PLAN

Investors should consider many factors before deciding which 529 plan is appropriate including:

- Investment options
- Investment performance
- Flexibility and features
- Manager reputation and expertise
- Contribution limits
- Federal and state tax benefits

WHAT’S NEXT?

No matter which plan you choose and how you decide to purchase it, 529s are an excellent vehicle for preparing for the cost of college. Taking advantage of plans offered by your home state may also increase your tax benefits. It can be a good idea to work with your J.P. Morgan Private Client Advisor in selecting the plan and portfolio allocation that’s right for your needs.
Some states, for example, offer favorable tax treatment and other benefits to their residents only if they invest in the state’s own Qualified Tuition Program. Investors should determine if their home state offers a 529 Plan that may offer such favorable tax treatment and benefits to residents or beneficiaries of that state that may not be available to investors or beneficiaries of other states. Investors should consult their legal, tax or accounting advisor before investing in any 529 Plan or contact their state tax division for more information. JPMorgan Chase Bank, N.A. and its affiliates do not offer legal, tax or accounting advice.

Deposit accounts subject to approval. Deposit products and services offered by JPMorgan Chase Bank, N.A. Member FDIC

“Chase Private Client” is the marketing name for a product and service offering. Bank products and services, including fiduciary and custody products and services, are offered by JPMorgan Chase Bank, N.A. and its affiliates. Assets held under these products and services are segregated by law and are not subject to FDIC or SIPC coverage. Securities and investment advisory services are offered through J.P. Morgan Securities LLC (JPMS). JPMS, a member of FINRA, NYSE and SIPC, is an affiliate of JPMorgan Chase Bank, N.A.

Investment products: Not FDIC insured • No bank guarantee • May lose value

© 2014 JPMorgan Chase & Co.