

College Savings Comparison Chart

	UA College Savings Plan Account	Coverdell Education Savings Account	UGMA/UTMA Account	Taxable Account
<i>How can the money be used?</i>	Can be used at almost any college or university in the U.S. (some international schools qualify as well), and up to \$10,000 per year can be used for qualified K-12 tuition expenses. There are no time limits.	Can be used at almost any college or university in the U.S. (some international schools qualify as well) and can be used for K-12 educational expenses. Generally must be used before the beneficiary reaches age 30.	The custodian must use the money for the child's benefit.	No restrictions.
<i>How are the distributions and earnings taxed?</i>	No federal taxes on distributions used to pay qualified education expenses. Until distribution, any earnings in your account will be tax-deferred.	No federal taxes for distributions used to pay qualified education expenses. Until distribution, any earnings will be tax-deferred.	Above a given level, earnings will be taxed at either the child's or the parent's rate.	Taxes apply. Earnings may be taxed as capital gains or ordinary income.
<i>What are the contribution limits?</i>	\$475,000 per beneficiary.	\$2,000 per beneficiary per year.	No limit.	No limit.
<i>Who controls the money?</i>	Account holder.	The authorized person controls the account.	The money belongs to the child, although it is controlled by a custodian until the child reaches the age of maturity.	Account owner.
<i>Does my income level affect my ability to contribute?</i>	No.	Your eligibility to contribute begins to phase out depending on your adjusted gross income.	No.	No.
<i>What is the impact on financial aid eligibility?</i>	It depends on who the account holder is, but the account typically is considered a parental asset.	The account is considered the parent's asset.	The account is considered the child's asset.	The account is considered the account holder's asset.
<i>Can I change beneficiaries?</i>	Yes. You can transfer assets to another member of the beneficiary's family at any time.	Yes. You can transfer assets to another member of the beneficiary's family at any time.	No.	Not applicable.
<i>What are the penalties for nonqualified withdrawals?</i>	Federal income tax plus 10% penalty. State penalties vary.	Federal income tax plus 10% penalty.	Not applicable.	Not applicable.