

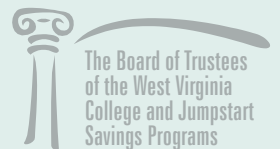


SMART529 WV Direct

West Virginia's Education Savings Solution



The West
Virginia State
Treasurer's Office





Plan for the Future with SMART529 WV Direct

Higher education can be expensive, and that's where SMART529 WV Direct can help. Saving for a future college education is a great advantage for a child. So is potentially growing that savings with SMART529. No matter what your child's age or anticipated date of college enrollment, the sooner you start saving, the better.

What is SMART529 WV Direct?

- A qualified tuition plan (as defined under Section 529 of the Internal Revenue Code)
- A flexible and easy way to save for college
- Specifically for West Virginia residents

The Benefits:

- Federal and West Virginia state tax benefits
- Withdrawals for qualified higher education expenses are free from federal income taxes^{1,2}
- Annual contributions to SMART529 WV Direct accounts reduce, dollar-for-dollar, a resident's West Virginia state adjusted gross income, which helps save money on state taxes³

¹ See the plan Offering Statement for more information about qualified expenses.

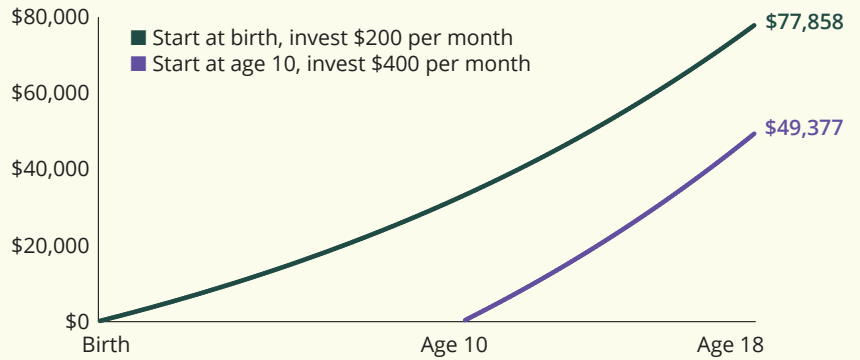
² Non-qualified withdrawals are taxable as ordinary income to the extent of earnings and may also be subject to a 10% federal income tax penalty. Such withdrawals may have state income tax implications.

³ The West Virginia state deduction is subject to recapture for non-qualified distributions.

Why Save for College Now?

When it comes to investing for college, time can be your greatest asset. Contributing even small amounts of money may allow time and tax deferral to do their job.⁴ The chart below shows the amount you could potentially accumulate if you start early.

Today's grads are leaving school with an average of **\$29,100** in student-loan debt




Assuming a 6% rate of return. This hypothetical illustration is not intended to reflect the performance of any particular 529 plan or its investment options, whose actual rates of return will fluctuate.


Sources: Sallie Mae, 8/22 and The College Board, 10/22.

Did you know?

SMART529 is flexible. Funds can be applied to much more than just tuition at academic institutions.

A SMART529 plan can be used at most:

 Colleges and universities

 Trade and vocational schools


 Apprenticeship programs

 K-12*


Source: IRS, 2023

A SMART529 plan can be used for Qualified Education Expenses


 Tuition and fees

 Room and board

 Books, supplies and equipment

 Expenses for special needs

 Computers, software, and internet

 Student loans**

Source: IRS, 2023

What If Your Child Is Awarded a Scholarship?

In this case, you may be able to withdraw the dollar amount of the scholarship from SMART529 WV Direct account without facing a 10% federal income tax penalty. (Any earnings you withdraw that aren't used for qualified higher education expenses will be subject to ordinary income taxes.)

*If using a 529 plan for K-12, it can only be used for tuition up to \$10,000 per year.

**Can be used for loan repayment up to \$10,000

⁴ Continuous or periodic investment plans neither ensure a profit nor protect against a loss in declining markets. Because these programs involve continuous investing regardless of fluctuating price levels, you should carefully consider your financial ability to continue investing through periods of fluctuating market prices.

Start Smart with SMART529 WV Direct

SMART529 WV Direct will help put you on the course to saving for college.

Key Features:

Invest Money

- No minimum initial investment, and no minimum subsequent investments
- Parents, grandparents, other adults and businesses are all eligible to open an account. You can even open an account for yourself
- Payroll Direct Deposit and the Automatic Investment Program are available to help keep savings on track
- There are no limits on contributions until your account balance exceeds \$550,000*

Reduce Taxes

- Withdrawals for qualified higher education expenses⁶ are free from federal income tax, as well as West Virginia personal income tax⁷
- Contributions made by December 31 each year can be used as a modification, reducing your federal adjusted gross income for West Virginia personal income tax purposes

Growth Potential

- Invest in portfolios that have the potential to outpace rising college costs
- Choose between portfolios designed for a range of risk tolerances and time horizons
- Low fees keep more of your money at work

Eligibility

- The account beneficiary can be of any age
- Either the account owner or the account beneficiary must be a West Virginia resident⁸

Flexibility

- There are no set time limits for contributions, or for using account assets
- Money can be transferred between any of the investment options twice per calendar year

Account Owner Control

- Change your account beneficiary to an Eligible Family Member⁹ of the current account beneficiary if you desire
- Maintain complete control of the account even after the beneficiary turns 18
- Access the funds in your account at any time

Investment returns are not guaranteed, and you could lose money by investing in the Plan.

What if your 529 assets are not used?

In this case, you may be able to roll over the unused assets to a Roth IRA. See the last page for more information.



RECEIVE
\$100
TO KICK START
EDUCATIONAL
SAVINGS

Bright Babies Program

Residents of the State of West Virginia may be eligible to participate in the SMART529 Bright Babies Program, which makes a \$100 contribution toward qualifying accounts.

This is only available in your child's first year, or before the first year anniversary of his or her adoption. To take advantage of this program, complete the SMART529 application and check the Bright Babies enrollment box. To open an account, visit SMART529.com/babies.

* Contributions over a certain dollar value may be subject to federal gift tax laws. Consult your tax professional for further details.

⁶ Qualified Higher Education expenses include room and board, required supplies and computers and related equipment, books, tuition and fees.

⁷ Non-qualified withdrawals are taxable as ordinary income to the extent of earnings, and may also be subject to a 10% federal income tax penalty and a withdrawal charge. Such withdrawals may have state income tax implications.

⁸ For the definition of a "West Virginia resident," please see the Offering Statement.

⁹ For the definition of an "Eligible Family Member," please see the Offering Statement.

WV Direct Investment Options*

For your convenience, SMART529 WV Direct provides four methods of investing:

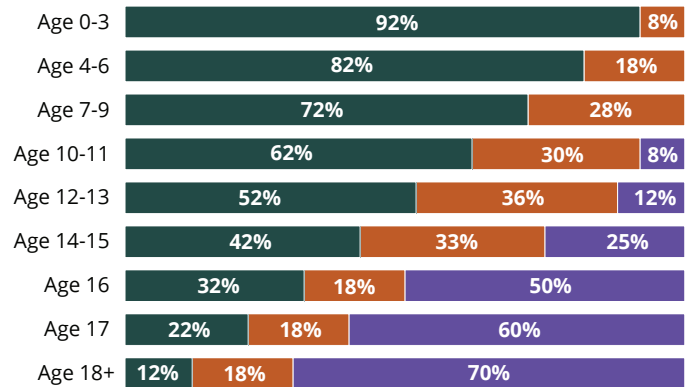
Equity Fixed Income Stable Value

Age-Based Portfolios¹⁰

The asset allocation¹¹ of each portfolio is tailored to your child's age. As your child gets older, assets are automatically transferred from a more aggressive portfolio to a more conservative portfolio, providing greater growth potential when your child is younger and increased capital preservation potential as your child approaches college age.

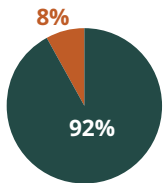
Age-Based Portfolios are for those looking for a simple way to invest, where assets are automatically transferred within 45 days of your child reaching the age of the next age-band. Please note that if you are selecting an Age-Based Portfolio, you can only select the one that corresponds with the Account Beneficiary's current age.

Age-Based Portfolio Allocations



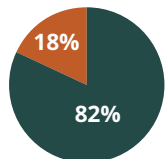
Static Portfolios¹⁰

Because investors differ in how long they plan to invest and in how much risk they are willing to take, SMART529 WV Direct offers five preset Static Portfolios. Static Portfolios offer the flexibility to select an investment based on your risk tolerance, regardless of your child's age. Your investments remain in the Static Portfolio you choose until you decide otherwise.



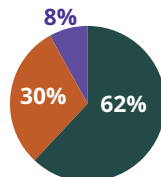
Aggressive Growth

For those investing for young children, or those who are willing to take more risk to have the potential of higher returns.



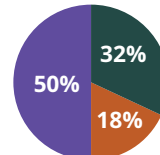
Growth

For those seeking a high degree of growth potential with less risk than an all-equity portfolio.



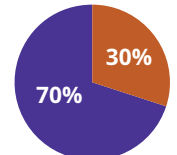
Balanced

For those with a shorter time horizon, or who are willing to take only moderate investment risk.



Conservative Balanced

For those with a shorter time horizon, or who want potentially less risk in return for potentially less volatile returns.



Conservative Bond

For those who are near college age, or those who are uncomfortable with the risk of investing in equities. It consists entirely of Underlying Funds that invest primarily in fixed income.

The SMART529 500 Index Fund

This portfolio seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. This portfolio invests 100% in the Vanguard Institutional Index Fund.



For those who seek growth through a broad equity market index.

The SMART529 Stable Value Fund

This portfolio seeks to maximize current income while preserving principal. This portfolio invests 100% in a separate account managed by Invesco Advisers, Inc., that is not a mutual fund.



For those whose primary concern is protection of principal, and who are willing to accept a rate of return comparable to conservative fixed-income investments.

* Certain options may be less suitable for short-term investment goals such as K-12 tuition. For example, Age-Based Portfolios were designed to take into account a Beneficiary's age and the number of years before the Beneficiary is expected to attend higher education. Assets may be transferred from one portfolio to another twice per year.

¹⁰ For details regarding the composition of the investment portfolios, please see the Offering Statement.

¹¹ Asset Allocation does not ensure a profit nor protect against a loss. The asset allocation percentages shown are estimates that may vary over time.

529 Fact or Myth



SMART529 can only be used for college

THAT'S A MYTH: SMART529 can be used for technical school, vocational training and more!



SMART529 can only be used in WV

THAT'S A MYTH: Funds can be used at any eligible institution around the country, and at more than 400 around the world



You can open an account for as little as \$1

THAT'S A FACT!



If you don't use your SMART529 funds you'll lose them

THAT'S A MYTH: You can transfer SMART529 funds to a different beneficiary, or simply withdraw them

Non-qualified withdrawals are taxable as ordinary income to the extent of earnings and may also be subject to a 10% federal income tax penalty. Such withdrawals may have state income tax implications.



I can stop and start contributions as often as I like

THAT'S A FACT!

How to Enroll

Open an Account Online

You will need the following information to open an account.

- **Account Owner:** must be 18 years or older
 - Social Security Number*
 - Address
- **Designated Beneficiary:** the individual for whose benefit the funds will be used
 - Social Security Number*
 - Address
 - Date of birth
- **Initial investment**
 - No minimum initial investment

Get started at [SMART529.com](https://www.smart529.com)

* Social Security numbers are required for 529 plan accounts by federal tax law.

Talk to a financial professional

If you don't have a financial professional, you can find one at your local bank, investment firm, or ask for a referral from your accountant.

READYSAVE™ Mobile App

Saving for your child's education is now easier with the READYSAVE™ 529 Mobile App. Manage your account right on your mobile device!

- View your account balance, transaction history and investment allocations
- Make a one-time savings contribution
- Set up automatic recurring contributions

READYSAVE
529





Questions?

Visit [SMART529.com](https://www.smart529.com)

Contact us if you need:

- Investment options explained (we can't provide advice).
- Help completing the application.
- Information on tax treatment (we can't provide advice).
- Information on how to manage your account online and sign up for systematic investing.

Our customer service center representatives are here to help you.

Call us toll-free: 1-866-574-3542

Hours: Monday - Thursday • 8:00 a.m. - 7:00 p.m., Friday • 8:00 a.m. - 6:00 p.m. EST

Need More Help?

Do you need financial planning assistance and do not feel comfortable making your own investment decisions? You can also invest in SMART529 through a local financial investment professional. The plans available through investment professionals assess additional charges that compensate the investment professional for his or her time and advice. Check with your local bank or investment firm for details.

Effective 1/1/2024, 529 Plan Account Owners Are Able to Roll Over Unused 529 Funds to Roth IRA Accounts.

In December 2022, as part of the government's year-end spending bill, the SECURE 2.0 Act of 2022 was signed into law by the President. This Act permits an additional type of qualified distribution for 529 plan assets by allowing limited tax and penalty-free 529 plan rollovers to Roth IRA accounts 1/1/2024. This increased flexibility may help to address the needs of account owners whose beneficiaries do not pursue higher education or who have leftover funds within their 529 account due to their beneficiary receiving a scholarship. There are several key provisions of the Act as it relates to these rollovers, and account owners should speak with a qualified tax professional for additional information.

For more information about the program, to learn more about 529 plans and for articles about saving and investing, visit us at www.SMART529.com

West Virginia's resource for SMART529 plans and education savings.

SMART529 is a college savings plan offered by the Board of Trustees of the West Virginia College and Jumpstart Savings Programs and administered by Hartford Funds Management Company, LLC ("HFMC").

SMART529 Direct is available to residents of West Virginia or to non-residents where the beneficiary is a resident of West Virginia. West Virginia (WV) provides certain tax advantages to WV taxpayers that invest in SMART529 Direct. Before investing, an investor should consider whether the investor's or designated 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 such state's 529 plan.

Investments in SMART529 are not guaranteed or insured by the State of West Virginia, the Board of Trustees of the West Virginia College and Jumpstart Savings Programs, the West Virginia State Treasurer's Office, HFMC, The Hartford Financial Services Group, Inc., the investment sub-advisers for the Underlying Funds or any depository institution. Investments in SMART529 are subject to investment risks, including the loss of the principal amount invested, and may not be appropriate for all investors.

Investments in SMART529 are subject to certain charges, which will reduce the value of your Account as they are incurred. Please see the Offering Statement for details of charges or fees that apply to the specific SMART529 savings plan.

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You should carefully consider the investment objectives, risks, charges and expenses of SMART529 and its Underlying Funds before investing. This and other information can be found in the Offering Statement for SMART529, including privacy notices, and the prospectuses or other disclosure documents for the Underlying Funds, which can be obtained by calling (866) 574-3542. Please read them carefully before you invest or send money. Hartford Funds Distributors, LLC, Member SIPC, serves as a distributor for certain 529 plans.

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