

COLLEGE SAVINGS OPTIONS

	Section 529 Plans ¹	Education IRA	Traditional & Roth IRAs	UGMA/UTMA	Mutual ² Funds	Life Insurance
Tax Benefits	Earnings are federal and state income tax deferred, and withdrawals are federal tax free, if used for qualified higher education expenses. Some states offer a deduction for contributions.	Earnings exempt from federal income tax, if used for qualified elementary, secondary and higher education expenses.	Traditional IRA may be tax-deductible and entire proceeds taxed at the owner's rate. Earnings on Roth IRA tax-exempt if taken out after the owners are 59½ or older.	When child is under the age of majority, first \$950 of unearned income is tax exempt; next \$950 taxed at the child's rate; the rest at parent's rate. After child turns 18, all earnings taxed at child's rate, unless enrolled as a full-time student, then age 24.	No special tax benefits. Earnings are taxed in the year realized.	No capital gains or income tax on appreciation as long as policy remains in-force.
Estate & Gift Tax Treatment	The account value is removed from the account owner's taxable estate.	The account value is removed from the account owner's taxable estate.	The account value is included in the account participant's taxable estate.	The account value is included in the custodian's taxable estate if the custodian dies before the funds are turned over to the child at age of majority (18 or 21).	The fair market value is included in the account owner's taxable estate.	Contributions are not considered a gift for estate planning purposes. The account value is included in owner's estate. Cash Value of policy will be considered a gift to child if policy is transferred to them after graduation.
How much can be invested?	Varies by state. Some states may allow account balance limits as high as \$250,000/beneficiary.	Up to \$5,500 per year per beneficiary (by 2013).	Up to \$5,500 per year (by 2016).	No limit.	No limit.	No limit.
Qualified Expenses	Tuition, fees, books, supplies, equipment and room and board.	Tuition, fees, books, supplies, equipment and room and board.	Tuition, fees, books, supplies, equipment and room and board.	Any expense, for benefit of child.	Any expense.	Any expense.
Financial Aid Treatment	Savings Plans: parent's assets; prepaid plans may reduce aid dollar for dollar.	Student's assets	Not considered in the expected family contributions (EFC) calculation.	Student's assets	Parent's assets	Not in EFC.
Who makes investment decision?	State sponsor with input from program manager.	Owner	Owner	Custodian before the child turns 18 or 21; after that, the child.	Owner	N/A Investment direction handled by insurance carrier.
Income restriction	No	Yes	Yes	No	No	No
Impact on Tax Credits	Yes	Yes	No	No	No	No
Flexibility	Earnings on non-qualified withdrawals taxed at owner's rate plus 10% penalty. Withdrawals can be made in amount equal to scholarship.	Earnings on non-qualified withdrawals taxed at owner's rate; 10% penalty on earnings.	No penalty on early withdrawals if used for qualifying education expenses. For Roth IRAs, earnings of early withdrawals taxed at the owner's rate.	Money can be withdrawn anytime for the benefit of the child.	Money can be withdrawn anytime for any purpose.	Parents Retain Control: Money can be withdrawn at any time for any purpose. Policy can eventually be transferred to child any time after age of maturity, purpose.

*Policy loans taken out for education expenses may reduce the death benefit. ¹Investments in 529 college savings plans are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including the possible loss of the principal amount invested. Some states offer favorable tax treatment to their residents only if they invest in the state's own plan. You should consult your tax advisor. **Before investing in any mutual fund or college savings plan, investors should carefully consider investment objectives, risks, charges and expenses. Plan disclosure documents contain this and other information about the plans, and may be obtained by calling (list toll free number). Read these documents carefully before investing.** Securities offered through MML Investors Services, LLC., 530 Fifth Avenue, 14th Floor, New York, NY 10036, 212-536-6000. Investment Advisory Services offered through Lenox Advisors, Inc. Lenox Advisors, Inc. is not a subsidiary of, nor affiliated with MML Investors Services, LLC. Lenox Advisors, Inc. is a wholly owned subsidiary of National Financial Partners Corporation [NFP], a financial services holding company, New York, NY. NFP is not an affiliate or subsidiary of MML Investors Services, LLC. FP107 CRN201711 - 198024