

ASHWORTH &amp; ASSOCIATES, P.C.

Newsletter

**Do 529 plans include both college savings plans and prepaid tuition plans?****Answer:**

Yes. Although most people associate 529 plans only with college savings plans (sometimes called college savings programs), prepaid tuition plans are another type of 529 plan. And though the two share some similarities, college savings plans and prepaid tuition plans differ in important ways (e.g., a prepaid tuition plan offers a guaranteed minimum rate of return, while a college savings plan does not). Make sure that you understand what type of 529 plan you're investing in.