

2023 Form 1099-Q

Furnished by Edward Jones to report distributions from your 529 Savings Plan

Use this document to help understand your Form 1099-Q from Edward Jones. We report the information on Form 1099-Q to you and the IRS each year you take a distribution from your 529 Savings Plan. You may need the information on Form 1099-Q to complete your tax return. Retain a copy for your records.

Frequently asked questions

Why did I receive a Form 1099-Q?

Form 1099-Q is provided if a distribution was taken from your 529 plan during 2023. The form is issued whether or not you used the distribution to pay for qualified education expenses.

Why was Form 1099-Q issued to me instead of the beneficiary/student?

For an individual 529 plan, the IRS requires we issue Form 1099-Q to:

- The account owner when the distribution is made to the account owner, a non-qualified institution or a payee not listed on the account.
- The beneficiary when the distribution is made to the beneficiary or directly to a qualified institution for the benefit of the designated beneficiary.

For a custodial 529 plan, Form 1099-Q is issued to the account beneficiary.

How is the earnings portion of my distribution calculated?

Each distribution is generally comprised of pro rata portions of contributions ("basis") and earnings in the account at the time the distribution was taken.

The amount of earnings (Box 2) and basis (Box 3) are shown in the Summary of Distribution Activity section provided with your Edward Jones Form 1099-Q.

What are considered qualified education expenses?

Qualified education expenses are certain expenses related to the enrollment or attendance at an eligible educational institution.

Qualified education expenses generally include:

- Tuition and fees
- Books and supplies
- Room and board, if considered at least a half-time student. Off-campus housing may qualify up to the cost of on-campus housing.
- Computers and related equipment, internet access, educational software
- Other equipment or expenses required for enrollment

What institutions are eligible?

Eligible institutions generally include any college, university, vocational school or other postsecondary educational institution eligible to participate in a student aid program administered by the U.S. Department of Education. Distributions may also be used to pay for up to \$10,000 in tuition at an eligible elementary or secondary school. Certain foreign institutions may be eligible if participating in student aid programs administered by the U.S. Department of Education. Visit studentaid.gov for details.

Can I claim other educational credits and deductions in the same year?

The American Opportunity Tax Credit, Lifetime Learning Credit and the tuition and fees deduction can be claimed in the same year as a tax-free distribution from a 529 Savings Plan, but the credit or deduction may not be used for the same student and same qualified education expenses. Note that the definition of qualified expenses varies among the different benefits.

If you have questions regarding:

Your Form 1099-Q:

Visit edwardjones.com/taxcenter or contact Edward Jones at 800-282-0829:

Monday through Friday 8 a.m. to 6 p.m. CT

Your tax return:

Contact a tax professional, call the IRS at 800-829-1040 or visit irs.gov. If you are using tax preparation software, contact the software provider for assistance.

Investments:

Contact your Edward Jones financial advisor.

Are distributions taxable?

The part of a distribution representing the amount contributed to the 529 Savings Plan generally does not have to be included in income. The beneficiary also generally does not have to include in income any earnings distributed from the plan if the distribution is less than or equal to the adjusted qualified education expenses. However, if the amount of a distribution is greater than the beneficiary's adjusted qualified education expenses, the portion of the distribution that is earnings may be taxable. In addition, the earnings may be subject to a 10% penalty, unless the distribution is:

- Paid to a beneficiary or the beneficiary's estate on or after their death
- Made because the beneficiary is disabled
- Included in income because the beneficiary received a tax-free scholarship or fellowship, veterans' educational assistance or employer-provided educational assistance
- Made due to the beneficiary attending a U.S. military academy
- Included in income only because the qualified education expenses were accounted for in determining the American Opportunity Tax Credit or Lifetime Learning Credit

Do I need to report the information on Form 1099-Q?

If the funds distributed from a 529 plan are used to pay for qualified education expenses, the distribution may not be taxed and generally does not need to be reported on an income tax return. Keep a copy of Form 1099-Q for your records.

Form 1099-Q explained

Box 1: This is the total amount distributed from the qualified education program account during 2023.

Box 2: This is the portion of the gross distribution in Box 1 that is considered earnings. If there were no earnings or there was a loss on the distribution and this is not the final year for distribution from the account, this box will display zero (0.00).

Box 3: This is the portion of the gross distribution in Box 1 that is considered basis.

Box 4: This box is checked if a trustee-to-trustee transfer was made directly from one qualified tuition plan to another.

Box 5: This box is checked to indicate the type of qualified tuition program.

Box 6: This box is checked if the distribution was sent to someone other than the account beneficiary.

Can I transfer the 529 plan to another beneficiary?

Any amount distributed from a 529 Savings Plan is generally not taxable if it is rolled over to another qualified plan for the benefit of the same beneficiary or for the benefit of an eligible member of the beneficiary's family (including the beneficiary's spouse). Contact your Edward Jones financial advisor to discuss your options.

Useful reference information:

- IRS Publication 970, Tax Benefits for Education
- IRS Form 5329 and Instructions

Edward Jones edwardjones.com

201 Progress Parkway
Maryland Heights, MO 63043-3042

Information as of January 12, 2024

PAYER/TRUSTEE
VCSP/COLLEGEAMERICA
EDWARD JONES
201 PROGRESS PARKWAY,
MARYLAND HEIGHTS, MO 63043-3042

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Payer's Federal Identification Number: 54-1816246

Recipient's Name and Address:
JOHN & MARY CUSTOMER
FBO JANE CUSTOMER
12555 MANCHESTER ROAD
DES PERES MO 63131-3710

Edward Jones Account Number:
111-22222-3-4

Recipient's Identification Number:
***-**-5555

THIS IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS INCOME IS TAXABLE AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED.

2023 Form 1099-Q | Payments From Qualified Education Programs (Under Sections 529 and 530)
Copy B - For Recipient (OMB NO. 1545-1760)

Box 1	Gross Distribution	6,500.00
Box 2	Earnings	3,124.40
Box 3	Basis	3,375.60
Box 4	Trustee-to-Trustee transfer	<input type="checkbox"/>
Box 5	Qualified tuition program -	<input type="checkbox"/> Private <input checked="" type="checkbox"/> State <input type="checkbox"/> Coverdell ESA
Box 6	If this box is checked, the recipient is not the designated beneficiary	<input checked="" type="checkbox"/>

Fair market value as of 12/31*

*If the FMV is shown, see Pub. 970, Tax Benefits for Education, for how to figure earnings

2023 Summary of Distribution Activity (Owner)

THIS SUMMARY IS NOT A 1099 FORM.....It is a summary of the distribution information you received from your Edward Jones account in 2023. For a complete description of each activity, please refer to your account statement for that period. If you have any questions, please contact your Edward Jones financial advisor.

Trade Date	Distribution (Box 1)	Earnings (Box 2)	Basis (Box 3)	Description	Owner Y/N (Box 6)
05/17	1,500.00	721.01	778.99		Y
05/17	2,500.00	1,201.70	1,298.30		Y
05/17	2,500.00	1,201.69	1,298.31		Y
Totals	6,500.00	3,124.40	3,375.60		

Thank you for doing business with Edward Jones. If you have any questions concerning any matters, especially errors or omissions, contact **FINANCIAL ADVISOR** at 111-222-3333 immediately or **Edward Jones** at 800-282-0829.

Summary of distribution activity

This is a supplemental section provided by Edward Jones and is not a part of Form 1099-Q sent to the IRS. The section itemizes each sell trade that was placed to make cash available for distribution in 2023, along with the portions of the distribution amount considered earnings and basis.