

	529 Savings Plan	Coverdell ESA	UGMA/UTMA	Individual Mutual Funds
Highlights	A state-sponsored investment account for the benefit of anyone -- your child, your cousin, your neighbor, yourself.	An investment account available to contributors who earn less than \$110,000 (for single filers) and \$220,000 (for joint filers).	Invest on behalf of a minor for any purpose.	Separate account owned by parent that is earmarked for child's education.
Contribution Limit	You can contribute large amounts of money of which the first \$12,000 per donor per beneficiary qualifies for an annual gift tax exclusion.	\$2,000 per student per year.	There is no contribution limit and the first \$12,000 per donor per beneficiary will qualify for the annual gift tax exclusion.	There is no contribution limit and the first \$12,000 per donor per beneficiary will qualify for the annual gift tax exclusion.
Tax treatment of withdraws	Tax-free if used for qualified expenses.	Tax-free if used for qualified expenses.	For children over 18, earnings taxed at child's rate. Under 18 and earnings less than \$1,700 per year are taxed at the child's rate.	Fully taxable at parent's income tax rate.
Tax deductibility of contributions	Some states allow contributions to be partially or completely deductible.	None.	None.	None.
Penalties on non-qualified withdrawals	Ordinary income taxes plus a 10% federal tax penalty on earnings.	Ordinary income taxes plus a 10% federal tax penalty on earnings.	Not Applicable.	Not Applicable.
Flexibility of use	Tuition, fees, books, room ad board, required supplies and equipment and graduate school	Post-secondary costs, K-12 costs	Anything that benefits the minor. At the age of majority (18 or 21 depending on the state) the account becomes property of the child. There is no guarantee that the funds will be used for college.	The parent has complete control over the account and how it is used.
Ability to Change Beneficiaries	Yes, to immediate family, including cousins, step-relatives, and in-laws.	Yes, to immediate family, including cousins, step-relatives, and in-laws.	No, once the contribution is made, it belongs to that child and is irrevocable.	Not Applicable.
Rollovers	Yes, Allowed once every 12 months or when you change the beneficiary.	Yes, Allowed once every 12 months or when you change the beneficiary.	Can rollover to another UGMA/UTMA account or a 529 Plan with the same restrictions as the UGMA/UTMA.	Account owner/parent can change to any investment anytime.
Biblically-responsible investments	None available.	Available	Available	Available
Limitations on Income	None	AGI limits apply (\$190k - \$220k, MFJ)	None.	None.
Financial Aid Impact	Considered an asset of the parent and will not count against child in determining financial aid.	Considered an asset of the student when computing financial aid.	Considered an asset of the student when computing financial aid.	Considered an asset of the parent and will not count against child in determining financial aid.
Must use funds by...	May continue to roll funds over to new beneficiaries.	May continue to roll funds over to new beneficiaries. Must do this by the time the current beneficiary is age 30 or the funds will be distributed at that time.	It is in the child's control by age 21 and they can withdrawl the funds at their discretion.	No deadline for the use of funds.