



Coverdell Education Savings Account

ESA

Educational Savings Account

What is a Coverdell ESA?

A Coverdell Education Savings Account (ESA) is a tax-free way to save for a child's education. Contributions to an ESA are not tax deductible, but the earnings grow tax free. By opening a self-directed ESA, individuals have the ability to grow their account faster than through traditional investments.

With an ESA, you can:

- ◆ Contribute up to \$2,000 annually for each beneficiary. A beneficiary must be under age 18, or a special needs beneficiary.*
- ◆ Use the funds to pay for any educational institution, including elementary, secondary, college, or vocational training, whether public or private.
- ◆ Pay for educational expenses, such as uniforms, computers, and supplies.
- ◆ Choose whether to contribute in any given year — you are not required to make deposits every year.
- ◆ Transfer the funds to any family member under the age of 30.

Although the contribution limit per beneficiary is \$2,000 per year, that amount can grow substantially by the time the child turns 18, especially if you are getting a good return. Distributions are not taxed if used for educational purposes.

*Regulations defining a "special needs beneficiary" have not been released by the Internal Revenue Service (IRS). Assume an individual who is age 18 or older and eligible for Supplemental Security Income (SSI) due to blindness or disability is a "special needs beneficiary." Visit <https://secure.ssa.gov/poms.nsf/lnx/0501130460> for more information.

Start Saving Today

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1. Call your local Entrust office and request a new account application, or open an account online at: <https://www.theentrustgroup.com/open-an-account>
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The Entrust Group
555 12th Street, Suite 900
Oakland, CA 94607

3. Fund your IRA by making a contribution, or transfer/roll over an existing IRA or 401(k).
4. Choose your investment. For investment ideas, the Entrust Learning Center has a complete library of articles, case studies, news, and ideas on a number of different investment strategies.

If you would like to learn more about how you can benefit from self-direction, please take advantage of free, live and pre-recorded events offered through any one of our nationwide offices.