

# Qualified Expenses for 529 Higher Education

WEALTH  
PLANNING

## Qualified Expenses for 529 Higher Education, K-12 and Other Related Activities

### Higher Education

#### Tuition and Fees

- Up to full amount of college or vocational school tuition and required fees.

#### Books and Supplies

- Textbooks must be found in the required reading section of a course description.

#### Computers, Software and Internet Access

- Technology must be utilized during their enrollment at a qualified educational institution, college expenses only.
- Includes computer software used for educational purposes.

#### Room and Board

- To qualify for room and board, your child must be enrolled half time or more.
- Includes meal plans
- Price of on-campus boarding (institution provided dormitories or apartments).
- Off-campus housing, not exceeding the estimate calculated by the school's financial aid office for on-campus room and board.
- **IMPORTANT** - costs cannot exceed the greater of the allowance for room and board included in the school's cost of attendance for federal financial aid calculations or the actual amount charged if the student is living in housing operated by the educational institution.

## Special Needs Equipment and Services

- For college only, examples include adaptive software or hardware, sensory integration tools, or mobility equipment may qualify.
- To count, the item or service must be needed for the student to go to class or complete the required coursework.

## **K-12 Expenses – Applies to K-12 attendance or enrollment at a public, private or religious elementary or secondary school.**

### Tuition and Fees

- Limited to \$20,000.00 per year for K-12 in 2026 (this \$20k cap includes all K-12 expenses).
- Previously \$10,000.00 per year
- Dual enrollment course costs are included.

### Books and Supplies

- Yes, for K-12, textbooks must be found in the required reading section of a course description.

### Educational Therapies

- For K-12 students with disabilities only.
- Therapies including occupational, behavioral, or physical and speech-language therapies.
- Must be provided by a licensed or accredited practitioner or provider.

### Tutoring or Educational Classes

- Tutor cannot be related to the student and must qualify as one of the following:
  - A licensed teacher
  - A current or former teacher at an eligible educational institution
  - A subject matter expert in the relevant subject
- Educational classes includes various online educational courses.

## Standardized Test Fees

- Examples include AP exams, SAT fees, and ACT fees.

## Credentialing Expenses and Continuing Education

### Skilled Trades and Vocational Programs

- Examples include (but not limited to) CDL training, HVAC certification, welding, plumbing, electrical work, and cosmetology.

### Professional License and Certification Fees

- Examples include (but not limited to) CPA exam prep and testing fees, bar exam review and registration, and other licensing exams in law, accounting, and finance.

### Required Continuing Education (CE)

- Courses needed to maintain licensure or certification.
- Examples include (but not limited to) courses/certification for nurses, social workers, teachers, real estate agents, financial advisors, and others.

### Books, Supplies, and Equipment

- Materials required as part of a qualified credentialing or licensing program.

### Caveats on Credentialing Expenses and Continuing Education

- Recreational classes, general career development, or programs without a formal credential typically won't qualify.

**IMPORTANT TO NOTE:** To qualify, programs must typically be listed in the Workforce Innovation and Opportunity Act (WIOA) directory or the Web Enabled Approval Management System (WEAMS) maintained by the U.S. Department of Veterans Affairs. These directories include many GI Bill-approved and state-recognized workforce training programs.

## Apprenticeship Programs

An official training program. There are two basic types of apprenticeship programs: registered and unregistered. The former must be registered with the state, which is called a registered apprenticeship. Registration is a non-negotiable requirement for expenses to qualify as a 529-eligible withdrawal. Programs must be registered with the Dept. of Labor.

### Examples of Apprenticeship Programs:

- Electricians
- Computer operators
- Carpenters
- Plumber
- Construction craft laborer
- Pipe fitter
- Sheet metal worker

### Must be Deemed Qualified Expenses:

- Tools and Equipment, such as:
  - Welding equipment
  - Construction tools (e.g., hammers, drills, saws)
  - Electrician's toolkit
  - Healthcare instruments (e.g., stethoscopes, blood pressure monitors)
  - Safety gear (e.g., gloves, goggles, helmets)

### Required Materials and Supplies:

- Computer software or hardware for technology apprenticeships (if explicitly required)
- Uniforms specific to the apprenticeship (e.g., scrubs, steel-toe boots)

### Textbooks and Study Guides:

- Training manuals for electricians or plumbers
- Certification prep books (e.g., for IT certifications or licensing exams)
- Industry-specific reference books

### Fees and Tuition:

- Registration or enrollment fees for the apprenticeship program
- Exam or certification fees required to complete the program

- Membership fees for industry organizations (if required for the program)

#### Specialized Training Courses:

- Supplemental courses required by the apprenticeship (e.g., safety training, first aid certification).

#### Supplies for Training Projects:

- Raw materials for assignments (e.g., wood for carpentry, fabric for tailoring apprenticeships).

#### Digital Tools:

- Subscriptions to industry-specific software or learning platforms (if required by the program).
- Online training modules or e-learning subscriptions

### **Student Loans**

- Principal and interest payments toward a qualified education loan, which includes federal and private student loans, will be considered qualified 529 plan expenses.
- For the repayment of student loans, there is a lifetime limit of \$10,000 allowed to be withdrawn tax-free.

#### Some Notable Items that are not Considered Qualified Education Expenses are:

- Insurance payments through school
- Sports/club dues
- Electronics such as smartphones
- Transportation costs
- Room and board exceeding the price of school provided housing
- College application fees
- Extracurricular activity fees

### **Important Distinctions Between K-12 and Higher Education Expenses**

#### Computer, Software and Internet Access

- Allowed for college expenses only, K-12 does not qualify

#### Room and Board

- Allowed for college expenses only, K-12 does not qualify

#### Special Needs Equipment and Services

- Allowed for college expenses only, K-12 does not qualify

#### Educational Therapies

- For K-12 students with disabilities only

#### Tutoring

- For K-12 Students only