



5/4/00

PLANNING CORNER

Want to Stop Receiving Those Annoying Credit Offers?

If you are getting a lot of "pre-approved" credit card offers and think they are nothing but a nuisance, call Trans Union at 1-888-567-8688. Their service allows you to "opt out" for two years or have your name removed from lists permanently. Even if it doesn't stop 100% of these solicitations, it should help.

IRS Web Site Worth a Look

Put it under the heading of "trying harder". You can actually get some helpful information. Just go to www.irs.gov.

College Education Strategies

Here's a short list of thoughts on education funding. Since everyone's situation is different and some of these may not fit you, consult with your advisor(s).

1. **Start early.** \$100-200 per month could fund four years if you start when the child is born. Wait till he enters school and it will be more like \$1,500 - 2,500 per month!
2. **Minimize the amount in the child's name.** Only put into UGMA/UTMA accounts enough to take advantage of the tax-free or tax-reduced build-up, i.e. not much more than \$10,000. Or if your child is near to entering college, put as little as possible in their names. The more money in the child's name, the less aid you will be eligible for.
3. **Education IRAs may not help much.** The minimums are quite low and the college aid formulas may not be favorable.
4. **Consider the new "529 Plans".** Sponsored by states, these are similar to UGMAs in that they offer tax deferral on investment earnings and withdrawals are taxed at the child's rate. But unlike the UGMA the

child doesn't have the right to take the money at age 18, because parents or grandparents keep title. Investment flexibility may be limited, but this can be offset by state incentives.

5. **Money in the parents' name is treated better for aid purposes.**
6. **Some assets may not count against you as much.** Life insurance, annuities, retirement plans, closely-held businesses and homes may not hurt as much in college aid formulas.