

529 Day Post (2026)

Every May 29th, we recognize 529 Day: a day to reflect on saving for a loved one's future.

Last year, we discussed the "missed opportunity" of using a taxable brokerage account instead of a 529 plan for education. In case you missed that breakdown, you can read it [here](#).

This year, since the passage of the "One Big Beautiful Bill" (OBBBA) in July 2025, the 529 plan has graduated to include an expanded list of qualified higher education expenses.

Expansion of the 529 Plan

The OBBBA significantly expanded the definition of "qualified higher education expenses." Here is how these changes make your 529 plan more powerful:

Enhanced K-12 Benefits The law now allows tax-free distributions for a much wider range of expenses for students in public, private, or religious schools:

- **Learning Materials:** Covers curriculum, textbooks, and online educational resources.
- **Professional Tutoring:** Fees for qualified, unrelated tutors outside the home.
- **Testing & Prep:** Fees for standardized tests, AP exams, and college entrance exams.
- **Dual Enrollment:** Tuition for college courses taken while still in high school.
- **Specialized Support:** Educational therapy costs (occupational, physical, and speech-language) for students with disabilities.
- **529 Funds to ABLE accounts:** The provision that allows families with children with disabilities to roll their 529 funds into an Achieving a Better Life Experience (ABLE) account was set to expire on December 31, 2025. The OBBBA extended the expiration date indefinitely, so families can continue to roll over 529 plans into ABLE accounts well after 2025.

Key Update: *Starting in 2026, the annual limit for these K-12 expenses has doubled from \$10,000 to \$20,000 per year.*

A Tool for Professional Growth (Not Just for Kids!) Beyond traditional four-year degrees, 529 funds can now be used for three types of career-focused "credentialing" costs:

- **Postsecondary Credentials:** Tuition and books for professional certification programs.

- **Professional Exams:** Fees to obtain or maintain industry-recognized credentials.
- **Continuing Education:** Costs required to keep your professional licenses active.

This covers industry-recognized credentials, Department of Labor-registered apprenticeships, and occupational licenses.

The Takeaway: Strategy Matters

On this 529 Day, we encourage you to look at your savings through a wider lens. Whether you are helping a grandchild with specialized tutoring, a teenager with dual-enrollment fees, or yourself with a professional license, a 529 account is a cornerstone of a modern financial plan.

The Illinois Advantage: For our local clients, remember that Illinois still offers generous state tax deductions—up to **\$10,000 for single filers** and **\$20,000 for couples** filing jointly. You can take advantage of these deductions while utilizing these new, broader benefits.

Let's Maximize Your Strategy

At Werth Weil Wealth Management, we are a fee-only, independent firm that follows a fiduciary standard. Our goal is simple: helping you find smart strategies to keep more money in your pocket. If you're unsure if an expense qualifies or want to ensure your current strategy is on track, let's talk.

Email us at info@werthweilwealth.com to schedule a time to review your plan. Let's make sure your savings go as far as they can for you, your children, and your grandchildren.

Mark Weil is an investment advisor representative of Dynamic Wealth Advisors dba Werth Weil Wealth Management Inc. All investment advisory services are offered through Dynamic Wealth Advisors.