ACHIEVE THE RETIREMENT YOU WANT

BUILD YOUR ACTION PLAN

TOTAL MERRILL®

EDUCATION STRATEGY WORKSHEET

DATE ______________

Because a college education has become a necessity in today's competitive environment, the cost of higher education continues to increase at more than twice the rate of wage inflation. It is important to create an education financial strategy today to avoid burdening your children and grandchildren with excessive debt.

See page 2 for information on the types of education savings plans available. Ask your Merrill Lynch Financial Advisor to help you select the plan that is most appropriate for you.

DIRECTIONS

Complete the information in the chart below. For help determining your future education costs or the amount you will need to save, contact your Merrill Lynch Financial Advisor and request an Education Snapshot report.

Child's Name	Plan Type (include 529 plans, education savings accounts and UGMA/UTMA accounts)	Current Account Value	How much will you need for education costs?	How many years until you need the money?	My Action Plan
		$	$	Years	
		$	$	Years	
		$	$	Years	
		$	$	Years	
		$	$	Years	

WANT HELP TO PUT YOUR PLAN IN PLACE?
CONTACT A MERRILL LYNCH FINANCIAL ADVISOR.

A Merrill Lynch Financial Advisor is someone who understands your situation, your needs and what you want to accomplish. Our understanding of you enables us to draw upon the breadth and depth of Total Merrill® to bring you the right solution at the right time for you. Call (800) MERRILL, visit a local branch or go to **http://totalmerrill.com/retirement** to get started.

The Total Merrill brand is used to refer to the broad range of brokerage, investment advisory (including financial planning), banking, trust, mortgage, and other financial services and products offered by Merrill Lynch. The nature and degree of advice and assistance provided, the fees charged, and client rights and Merrill Lynch's obligations will differ among these services.

TAX-ADVANTAGED EDUCATION SAVINGS ACCOUNTS

	529 College Savings Plans	Coverdell Education Savings Account (ESA)	UGMA/UTMA Account
Contributions	■ Contribution limits vary by plan; $13,000 ($26,000 for joint filers) per year per beneficiary without federal gift-tax consequences.	■ Up to $2,000 per beneficiary per year, subject to income restrictions.	■ Unlimited contributions; $13,000 ($26,000 for joint filers) per year per beneficiary without federal gift-tax consequences.
Tax advantages	■ Earnings grow federal income-tax-free as long as the withdrawals are used for qualified higher-education expenses.* The earnings portion of withdrawals for nonqualified expenses will be subject to federal income tax and a 10% additional federal penalty tax and also may be subject to state income or other taxes. ■ Some plans have state income tax benefits, including deductions for contributions to home state plans.	■ Earnings and withdrawals are federal income-tax-free if used for qualified education expenses.* Unless extended by Congress, the provision allowing Coverdell ESA withdrawals to be used for elementary and secondary school expenses will expire after Dec. 31, 2010. After that date, withdrawals can be used only for higher-education expenses.	■ The first $950 of a child's income is tax-exempt. Unearned income over $1,900 generally will be taxed at the parents' rate if, at the end of the year, the child is under age 18 or is a full-time student under age 24.
Any limits?	■ No age or income limits with respect to account owners or beneficiaries under Section 529 of the Internal Revenue Code. However, some plans may limit account ownership to those who are of the age of majority.	■ Beneficiary must be younger than age 18, except in the case of a special needs beneficiary. ■ Assets must be used by age 30, except in the case of a special needs beneficiary.	■ Child succeeds to account ownership upon attainment of the vesting age.
Who controls the account?	■ The account owner (typically the parent or grandparent) maintains control of the account and can change the beneficiary.	■ Account owner (parent); can change beneficiary.	■ The beneficiary cannot be changed; custodian controls the account until the beneficiary reaches the vesting age.
Investment options	■ Varies by plan. However, most plans offer a wide range of portfolios consisting of mutual funds.	■ Wide range	■ Wide range

* To be eligible for the favorable tax treatment afforded withdrawals from Section 529 accounts, expenses must be "qualified higher education expenses," as defined by the Internal Revenue Code. For withdrawals for Converdell ESAs, expenses must be "qualified higher education expenses" or "qualified elementary and secondary education expenses," as defined in the Internal Revenue Code.

Before you invest in a 529 plan, request an official statement from the program or your Financial Advisor and read it carefully. The official statement contains more complete information, including investment objectives, charges, expenses and risks of investing in the plan, which you should carefully consider before investing.

Any information presented about tax considerations affecting your financial transactions or arrangements is not intended as tax advice and cannot be relied on to avoid any tax penalties. Neither Merrill Lynch nor its Financial Advisors provide tax, accounting or legal advice. You should review any planned financial transactions or arrangements that may have tax, accounting or legal implications with your personal professional advisors.

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