



Wisconsin's 529 College Savings Plans Can Help Pay for Registered Apprenticeship Programs

Many students in Wisconsin and across the nation are now opting to attend schools specializing in career training and technical education, reversing a longstanding trend toward enrolling in a traditional four-year college. And according to [recent data from the U.S. Department of Labor](#), the number of registered apprentices has increased 64% since 2012. Why this shift? Recognizing the nation's heightened demand for skilled-workers coupled with a desire to reduce their reliance on student loans, an increasing number of students are choosing career-connected pathways over four-year colleges.

While apprenticeship programs can often be completed in two years, potentially offering a more affordable education pathway to a career, there are still costs associated with enrollment and completion. Thanks to the passage of the 2019 SECURE (Setting Every Community Up for Retirement Enhancement) Act, qualified costs associated with apprenticeship programs — such as fees, textbooks, supplies, and equipment, such as required trade tools — can be paid with funds saved in a 529 plan so long as the apprenticeship is certified and registered with the Secretary of Labor's National Apprenticeships Act.

What is a 529 College Savings Plan?

A 529 plan is a tax-advantaged investment plan designed to help families save for a beneficiary's (typically a child or grandchild) future higher education and career training expenses. 529 college savings plans are different from a savings account with a bank or credit union in that your contributions are invested, and account earnings are based upon market performance of the underlying investments chosen by the account owner. Plans are administered at the state level and are typically managed by a financial services company that handles recordkeeping and oversees the investments.

Wisconsin 529 College Savings Program

The [Wisconsin 529 College Savings Program](#) offers two 529 plans to save for higher education under Section 529 of the U.S. Internal Revenue Code: [Edvest 529](#) (direct-sold) and [Tomorrow's Scholar](#) (advisor-sold). Both plans are qualified tuition programs and are administered by the State of Wisconsin's Department of Financial Institutions (DFI).

Contributions to a 529 plan are made post-tax, but account earnings grow free from federal income tax, and withdrawals remain tax-free at the state and federal level when used for qualified education expenses. Additionally, Wisconsin taxpayers may qualify for a [state income tax deduction](#) on contributions made to a Wisconsin 529 plan.

Wisconsin 529 Plans & Apprenticeship Programs

Students develop different goals and interests over the years, so families unsure of a student's future education and career path can be assured that funds saved in a Wisconsin 529 plan offer flexibility. Money saved can be used to support a variety of postsecondary aspirations, including attendance at accredited trade, tech or vocational schools, community colleges, and traditional four-year universities – nationwide and abroad – as well as apprenticeship programs registered and certified with the Secretary of Labor under Section 1 of the National Apprenticeship Act.

An apprenticeship is an “earn while you learn” program that provides on-the-job training and related instruction. An employer teaches the skills of the occupation, while an area technical college or private training center teaches the theoretical knowledge pertaining to the specific occupation. If an apprenticeship program is certified and registered with

the Secretary of Labor, you may use funds saved in an Edvest 529 or Tomorrow's Scholar account to pay for related program fees, textbooks, supplies, and equipment, like expenses required for trade tools.

Finding a Registered Apprenticeship Program

There are over 24,000 apprenticeship programs nationwide, according to the U.S. Department of Labor. Programs cover a wide range of industries, with an average annual salary for those that complete their apprenticeship of \$70,000. In Wisconsin, employers annually train approximately 10,000 individuals through apprenticeship programs in about 200 occupations – from construction and manufacturing to healthcare and information technology. **The following resources can assist in finding a registered apprenticeship program:**

1. **[Department of Labor - Apprenticeship USA](#)**

Apprenticeship.gov is a one-stop source to connect career seekers, employers, and education partners with apprenticeship resources. Use their search tool to find out if your apprenticeship program is registered.

2. **[Wisconsin Department of Workforce Development – Wisconsin Apprenticeship](#)**

Wisconsin apprenticeships are governed by standards set by the Wisconsin Department of Workforce Development - Bureau of Apprenticeship Standards (DWD-BAS). The Wisconsin Department of Workforce Development apprenticeship website provides information about Wisconsin's apprenticeship program and search tools to help you find a program in the state. [Contact information can be found online here.](#)

3. **[Wisconsin Technical College System – Apprenticeships](#)**

Related instruction is a key part of each apprenticeship and is required by Wisconsin apprenticeship law. Related instruction is theoretical and technical and is usually provided by a school in the Wisconsin Technical College System.

The Wisconsin College Savings Program knows that higher education takes many forms, that's why it's Edvest 529 and Tomorrow's Scholar plans can be used for whatever comes after high school, including four-year universities, community colleges, trade, technical, or vocational schools, certificate programs and apprenticeships. Access more information on each plan [here](#).