Using 529 & ABLE Funds for Bridges Tuition

Parent Planning Guide | 2026

BRING THIS TO YOUR TAX PROFESSIONAL

! General educational information only - not financial, tax, accounting, or legal advice. Rules and eligibility depend on your family's facts and may change. Before transferring or withdrawing funds, consult a qualified tax attorney and/or licensed tax professional familiar with 529 plans, ABLE accounts, and special-education deductions.

Three paths families may explore

CALENDAR-YEAR LIMITS - NOT SCHOOL-YEAR LIMITS

1 Pay qualified K-12 expenses directly from a 529

Up to $20,000 per student may be distributed from all 529 accounts combined for qualified K-12 expenses in 2026. A learning-disability or other diagnosis does not increase this limit. Coordinate the distribution and tuition payment in the same calendar year. Oregon treatment may differ from federal treatment, so confirm state consequences before withdrawing.

$20,000
2026 federal limit per student across all 529 accounts

2 Use an eligible 529-to-ABLE rollover

A qualifying rollover may move 529 funds into an eligible student's ABLE account without the 529 nonqualified-use penalty. The 2026 rollover plus all other standard ABLE contributions cannot exceed $20,000. ABLE eligibility is separate from a school diagnosis and depends on program standards. Use withdrawals only for documented qualified disability expenses.

$20,000
minus all other standard ABLE contributions made in 2026

3 Ask whether tuition may qualify as a medical expense

Special-school tuition may be includible when a doctor recommends the placement, overcoming the learning disability is the primary reason for attendance, and ordinary education is incidental. The family must itemize; only unreimbursed expenses count; and only total medical expenses above 7.5% of AGI are deductible. Do not use the same tuition dollars for multiple tax benefits.

7.5%
AGI threshold for the federal itemized medical deduction

Before you move money

1. **Get individualized advice**
   Ask a tax attorney or licensed tax professional to compare the options.
2. **Confirm eligibility**
   Verify the student, account, expense, and documentation requirements.
3. **Calculate every limit**
   Total all 2026 distributions, rollovers, and ABLE contributions.
4. **Request Bridges records**
   Obtain tuition statements, payment schedules, and receipts.
5. **Use the official process**
   Follow the plan administrators' distribution or rollover instructions.
6. **Keep complete records**
   Save medical letters, invoices, transfers, and tax forms.

How Bridges can help

Bridges can provide tuition statements, payment schedules, enrollment records, receipts, and a general program description. Bridges cannot determine eligibility, issue a medical recommendation, calculate a deduction, or guarantee tax treatment.

Official resources

- IRS 529/QTP rules
- Oregon ABLE rollover guidance
- IRS Publication 502
- IRS Publication 907
- Oregon tax guidance

Also available from Bridges: Deducting Special Education Costs of Children with Disabilities, an IRS-based overview for discussion with your tax professional.