

Updated as of 2/5/2016

The IRS confirmed that due to the timing of the legislation and the difficulty for firms to update their systems to support the de-aggregation requirements, principal and earnings for 2015 may be aggregated. Therefore John Hancock Freedom 529 will not be required to issue amended Forms 1099Q for 2015.

Dear Client:

We would like to take this opportunity to make you aware of recent legislative changes that could potentially impact the tax reporting of distributions from your John Hancock Freedom 529 account for tax year 2015. The Protecting Americans from Tax Hikes (PATH) Act, which was signed into law on December 18, 2015, included three significant changes to 529 college savings plans. These changes are retroactive to the beginning of 2015.

- **Removal of distribution aggregation requirement:** If you hold multiple accounts in a 529 college savings plan for the same beneficiary, the accounts no longer need to be aggregated for purposes of computing the earnings portion of a distribution. Instead, the earnings portion of a distribution will be computed on an account-by-account basis. If your distribution was used for qualified higher education expenses, it is not subject to federal income tax, regardless of the earnings associated with the distribution, so this may not impact your federal tax reporting.

We expect that the IRS will issue guidance to clarify the removal of the distribution aggregation requirement, which may require us to send an amended 2015 Form 1099-Q to impacted account holders. This should only be required in situations in which an account holder held multiple accounts in 2015 for the same beneficiary and requested partial distributions from one or more (but not all) of those accounts during 2015. We do not expect that recipients of Form 1099-Q who do not meet the criteria will receive an amended Form 1099-Q.

- **Computer technology and equipment:** Computers and certain peripheral equipment (such as printers), Internet access, and computer software (of an educational nature only) are now considered eligible expenses if the items or services are used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution.
- **Recontribution of tuition refunds:** A refund of qualified higher education expenses from an eligible institution can be recontributed to the 529 account of the beneficiary without penalty if made within 60 days of receiving the refund. For refunds received in 2015, the recontribution must take place within 60 days of the law's enactment date of December 18, 2015.

We strongly encourage you to discuss any changes, including the potential impact to the enclosed Form 1099-Q, with your tax advisor, especially if any portion of your distribution is not used for qualified higher education expenses.

As a result of the PATH Act changes, the John Hancock Freedom 529 Plan Disclosure Document will be updated and this supplement will be mailed to all account holders separately in the coming weeks. If you have any questions, please feel free to contact your financial advisor or call a John Hancock Freedom 529 service representative at 866-222-7498. We appreciate the opportunity to assist you with your college savings needs.

If your state or your designated beneficiary's state offers a 529 plan, you may want to consider what, if any, potential state income-tax or other benefits it offers before investing. State tax or other benefits should be one of many factors to be considered prior to making an investment decision. Please consult with your financial, tax, or other advisor about how these state benefits, if any, may apply to your specific circumstances. You may also contact your state 529 plan or any other 529 college savings plan to learn more about their features. **Please contact your financial consultant or call 866-222-7498 to obtain a Plan Disclosure Document or prospectus for any of the underlying funds. The Plan Disclosure Document contains complete details on investment objectives, risks, fees, charges, and expenses, as well as more information about municipal fund securities and the underlying investment companies that should be considered before investing. Please read the Plan Disclosure Document carefully prior to investing.**

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John Hancock Freedom 529

P.O. Box 17603 ■ Baltimore, MD 21297-1603 ■ 866-222-7498 ■ johnhancockfreedom529.com

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