

COLLEGE SAVINGS MADE SIMPLE



 **minnesota**
College Savings Plan
mnsaves.org

WELCOME TO THE MINNESOTA COLLEGE SAVINGS PLAN

What is It?

Saving for college is one of the most important things a parent will do. Whether your child wants to go to medical school, become a teacher, or learn digital animation, you can help make it happen with the Minnesota College Savings Plan (MCSP), Minnesota's official 529 College Savings Plan.

The Minnesota College Savings Plan is a simple way for families to save for higher education costs. You're probably familiar with 401k plans for retirement. The Minnesota College Savings Plan is similar, but it's used to save for college. With a low minimum contribution, low fees, and tax benefits, MCSP makes saving more affordable for more Minnesota families.

How it Works?

Open a Minnesota College Savings Plan account at mnsaves.org. Choose your savings plan from a variety of investment options, and contribute to your account regularly. Any earnings have the opportunity to grow tax-free. Minnesota residents who contribute to an account may be eligible for either a deduction from taxable income for Minnesota income tax purposes, or a tax credit on contributions to a 529 account during a taxable year.

Depending on your circumstances, you could deduct up to \$3,000 or claim a tax credit of up to \$500. *Limitation apply.

When used for qualified expenses, you can withdraw funds free from state and federal taxes, too.



MINNESOTA COLLEGE SAVINGS PLAN FAST FACTS

- Anyone, not just a child's parents, may open or contribute to a MCSP account – even out-of-state family and friends.
- Minnesota residents may be eligible for either: a deduction from taxable income for Minnesota income tax purposes up to \$3,000 or a tax credit up to \$500. *Limitation apply.
- Minnesota College Savings Plan funds may be used at universities, colleges, technical schools, graduate programs, and certificate programs.
- Funds may be used at schools across the country and even some abroad.
- Use funds for tuition, books, certain room & board, computers, tablets, and other expenses.
- Contribute whenever you want – birthdays, graduations, holidays, or just because – in whatever amount you want, starting at \$25.00.
- Build savings by regularly contributing automatically through your bank account or payroll direct deposit.
- Opening an account just takes about 15 minutes at mnsaves.org.

GIVING THE MINNESOTA COLLEGE SAVINGS PLAN:

Saving for a big goal like college can feel overwhelming. The good news is you don't have to do it alone. Family and friends can help by gifting to a child's Minnesota College Savings Plan account. It's perfect for **birthdays, graduations, holidays, welcoming a new baby, or just because.**

Convenient giving options include:

eGift securely online | Transfer funds electronically | Open an account | Gift by check

Your family and friends get to help your child succeed, and if they are Minnesota residents, they may be eligible for state tax benefits, too.

Learn more at mnsaves.org/gift



Saving Adds up

When you save, any earnings can work for you by adding to your account. Plus, when you save with MCSP, any earnings on your account may grow free from state and federal taxes. If you borrow funds to pay for college, interest on the loan just increases the amount you need to repay.

Start Early to Save More

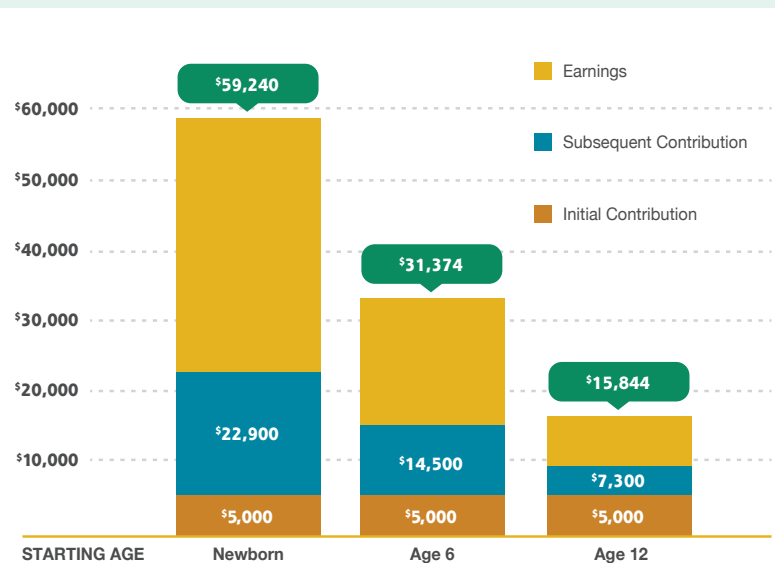
Time is one of your most valuable assets when it comes to saving for college. The sooner you start the more you can save. But don't worry – it's never too late to start. Even if you start saving when your child is in middle or high school, having some money set aside can help reduce their need to borrow.

Get Started

Open your Minnesota College Savings Plan account anytime at mnsaves.org, or call **1-877-338-4646** to speak to a College Savings Specialist. Make sure you have this information handy for you and your beneficiary:

- **Social Security Number**
- **Date of Birth**
- **Home Address**

The Advantages of Starting Early (\$100 Monthly Investment)



** This chart assumes a \$5,000 lump sum investment, a \$100 monthly investment and 6% annual rate of return. The calculations are for illustrative purposes only and the results are not indicative of the performance of any investments. The calculations do not reflect any plan fees or charges that may apply. If such fees or charges were taken into account, returns would have been lower. With any long-term investment, investment return may vary. Such automatic investment plans do not assure a profit or protect against losses in declining markets. This chart is for illustrative purposes only. Account value in the Investment Options is not guaranteed, and will fluctuate with market conditions.*

THE MINNESOTA COLLEGE SAVINGS PLAN Q&A:

Can I Change Recipients?

Yes! As long as the new person you choose as a beneficiary is an eligible member of the same family you can change beneficiaries or transfer funds to a different recipient.

What if My Child Doesn't Go to College?

You have three options:

- Keep funds in your account and use them if your child decides to go to college at a later time.
- Change the beneficiary to another eligible family member. Be sure to check with your tax advisor.
- Make a non-qualified withdrawal. Earnings will be subject to federal income tax, state income tax, and the 10% federal tax.

What if My Child Gets a Scholarship?

If the child receives a scholarship that covers the cost of qualified higher education expenses, you can withdraw up to the scholarship amount free from the 10% additional federal tax. The earnings portion of the withdrawal is subject to federal and Minnesota income tax, and the 10% federal tax.

If I Move Out of State

What Happens With My Account?

You can keep your money in your MCSP account and continue to contribute to it. Before you invest in another plan, consider whether the state in which you or your beneficiary reside has a 529 plan with favorable tax or other benefits.

I Have Another 529 Plan.

Can I Roll it Into My MCSP Account?

Yes. You can transfer funds for the same beneficiary every twelve months without triggering tax consequences. Check with your tax advisor or your other 529 plan provider for information before you request a rollover.

How do I Make Withdrawals?

You can withdraw funds **online**, complete a Withdrawal Request Form, or call **1-877-338-4646**.

To learn more about the Minnesota College Savings Plan, its investment objectives, tax benefits, risks and costs, please see the Disclosure Booklet at mnsaves.org. Read it carefully. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss.

Taxpayers should seek advice from an independent tax advisor based on their own particular circumstances. If the funds aren't used for qualified higher education expenses, a 10% penalty tax on earnings (as well as federal and state income taxes) may apply.

Check with your home state to learn if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 plan.

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