

# COLLEGE SAVINGS

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## PLANS OF MARYLAND

***Save here. Go anywhere.***

### ***Did You Know . . . ?***

#### **Facts about the College Savings Plans of Maryland (CSPM)**

With college costs continuing to rise and more students using debt to finance their higher education expenses, many families are concerned about finding a smart way to pay for their children's future higher education. Maryland offers two Section 529 college savings plans: The ***Maryland College Investment Plan*** (with enrollment open year-round) and the ***Maryland Prepaid College Trust***.

The following are facts about the Prepaid College Trust and College Investment Plan that many people may not know:

#### **Maryland Prepaid College Trust (MPCT)**

- The Prepaid College Trust allows participants to “save here, go anywhere.” The plan will pay full in-state tuition and mandatory fees at any Maryland public college or university or the full in-county tuition and mandatory fees at a Maryland community college when enrolled children reach college age. Tuition benefits may also be applied to nearly all other colleges and universities, public or private, around the nation.
- The Trust offers affordable payment options and is backed by the security of a Maryland Legislative Guarantee, which states that in the event that the Trust ever experiences a financial shortfall, Maryland law requires the Governor to include funds in the State budget to allow the Trust to pay full benefits. As with the State budget every year, the Maryland General Assembly has final approval.
- The Prepaid College Trust offers the following tuition plans: University Plan (one semester or one, two, three, four or five years at a four-year college or university), Community College Plan (one or two years at a community college) and Two-Plus-Two Plan (two years at a community college and two years at a four-year college).
- It's easier than ever for grandparents and others to join forces with parents to make college possible for their loved ones by purchasing as little as one semester. Especially appealing to grandparents and other family members and friends are a one-semester plan at a four-year university and a one-year plan at a community college. These options provide more affordable ways for families to get their foot in the door, help to promote gift-giving and could be a smart alternative to savings bonds.

- Maryland taxpayers receive a maximum \$2,500 deduction from their State adjusted gross income annually per account for contributions to the Prepaid College Trust. Additional contributions may be carried forward and deducted in future years.
- For the fourth straight year, tenth- through twelfth-graders are eligible for enrollment in the Prepaid College Trust, and may begin to use their account benefits after three years of investment maturity.
- Online enrollment makes signing up fast, easy and convenient. All information and paperwork may be downloaded from CSPM's Web site ([www.collegesavingsmd.org](http://www.collegesavingsmd.org)).
- Families enrolling anytime before the deadline pay nothing into the plan (except the enrollment fee) until August 1 – offering time for saving the money or even using a tax refund.
- Payment may be made as a lump sum or in annual, five year monthly, or extended monthly installments. For enrollment period, lump sum payments are due on August 1. Annual or monthly payments also begin on August 1. Extended monthly payments continue until around the time the child graduates high school.
- The Prepaid College Trust according to the most recent auctorial status has over 17 years worth of benefits available to meet future tuition payments.
- Tuition and fee increases at Maryland public colleges have been frozen for 4 straight years.

### **Maryland College Investment Plan (MCIP)**

- The Maryland College Investment Plan offers a choice a variety of different investment portfolios and affordable payment options that can be started with as little as \$25 per month.
- The Plan is open year-round for enrollment, and is managed and distributed by T. Rowe Price.
- The Plan is open to children or adults of any age.
- There are no sales loads, commissions or enrollment fees.
- This Plan can be used for all eligible college expenses, including tuition, fees, room & board, books, supplies and certain expenses for special needs students. It can also be used at nearly any public or private college nationwide.
- The account holder can move funds in their account to different investment options once per calendar year by contacting T. Rowe Price.

## General Information

- The Maryland Prepaid College Trust enrollment period is typically December to the beginning of April.
- A video explaining the Plans can be viewed on the web site – or downloaded to an MP3 for later viewing.
- The Plans have combined assets of over \$2 billion for more than 127,000 beneficiaries.

*Be informed. Get a free Enrollment Kit or enroll online.*

*Please carefully read the [Enrollment Kit](#) which describes the investment objectives, risks, expenses, and other important information that you should consider before you invest in the College Savings Plans of Maryland . The [Enrollment Kit](#) is available online or by calling **1-888-4MD-GRAD**. Also, if you or your beneficiary live outside of Maryland, you should consider before investing whether your state or your beneficiary's state offer state tax or other benefits for investing in its 529 plan.*

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