

Texas - LoneStar 529 Plan

Data as of: 04/16/24

The program management of Texas' LoneStar 529 Plan was assumed by Orion Advisor Solutions, Inc. (previously known as NorthStar Financial Services Group, LLC) in September 2014. The plan offers an enrollment year option, three risk-based portfolios, and 20 individual asset class portfolios.

5-Cap Rating

Resident:



Non-Resident:



Savingforcollege.com's 5-Cap Ratings provides an evaluation and comparison of 529 plans, utilizing a formula that examines dozens of factors grouped into the following categories. (Scale 0 to 5; 5 is highest)

Performance	Costs	Features	Reliability	Resident Upgrade
0.00	3.43	4.29	3.64	0.10

Investment Options

Age-based/Enrollment Year investment options:

The Target Enrollment Year Option consists of 10 portfolios of underlying funds. Contributions are placed into the portfolio corresponding to the beneficiary's expected year of enrollment.

Static investment options:

Select among 3 risk-based portfolios and 20 individual asset class portfolios.

Underlying investments:

Artisan, Baird, DFA, Dodge & Cox, Eaton Vance, Federated Hermes, Neuberger Berman, New York Life, PIMCO, T. Rowe Price, Vanguard

Taxes and other Benefits

Program match on contributions:

None.

State tax deduction or credit for contributions:

Not applicable. Texas does not have a personal income tax.

State definition of qualified expenses

The state conforms with the federal definition of qualified education expenses, which includes expenses for higher education, apprenticeship programs, interest and/or principal on qualified education loans up to a \$10,000 lifetime cap, and up to \$10,000 per year in tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. Distributions from a 529 account directly to a Roth IRA are considered a qualified expense.

State tax treatment of qualified distributions:

Not applicable. Texas does not have a personal income tax.

Does the sponsoring state exclude the value of an account for state financial aid purposes?

Yes

Does participation in the program provide beneficiaries with any advantages in qualifying for resident tuition status at state institutions?

No

Is there a rewards program or outside scholarship program that works with this program?

Yes, the Upromise Rewards program can be linked to any 529 college savings plan. Upromise Rewards is free to join and offers members cash back for college.

General

Program type:

Savings

How to enroll:

Enroll through a financial advisor.

Initial year of operation:

2002, but substantially changed in November 2007. Orion replaced Oppenheimer as program manager in September 2014.

State agency(ies):

Texas Prepaid Higher Education Tuition Board

Program manager:

Orion Advisor Solutions, Inc.

Program distributor:

Northern Lights Distributors, LLC.

Contributions

Maximum contributions:

Accepts contributions until all account balances in Texas' 529 plans for the same beneficiary reach \$500,000.

Minimum contributions:

\$25 per portfolio, or \$15 per portfolio with the automatic contribution plan.

Does the program offer an e-gifting platform for receiving gift contributions?

This plan does not offer an online gifting portal allowing for easy sharing but may offer gift certificates or allow mail-in gift contributions.

Fees & Expenses

Enrollment or application fee:

None, but contributions may be subject to a sales charge depending on share class.

Account maintenance fee:

None.

Program management fees:

0.34% management fee (including 0.06% state fee) for all portfolios. Additional distribution/servicing fees of 0.25% (Class A), none for RIA class.

Expenses of the underlying investments:

Ranges from 0.19% to 0.47% in the age-based and risk-based portfolios, and 0% to 1.12% in the individual asset class portfolios.

Total asset-based expense ratio:

Class A: 0.59% - 1.44%
RIA Class: 0.34% - 1.46%

Contact

Website:

<http://www.lonestar529.com>

Telephone:

1-800-445-4723, option 4

Plan Portfolios

There is no investment data available for this plan. Please visit <http://www.lonestar529.com> for additional information.