



## Colorado - Direct Portfolio College Savings Plan

Data as of: 11/14/19

The team of Ascensus Broker Dealer Services, Inc. and The Vanguard Group manages the Colorado Direct Portfolio College Savings Plan. It features age-based and static portfolio options utilizing Vanguard mutual funds. Accounts can be linked to the Upromise rewards service.

### 5-Cap Rating

**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)

**Non-Resident:** 

| Performance | Costs | Features | Reliability | Resident Upgrade |
|-------------|-------|----------|-------------|------------------|
| 4.16        | 3.42  | 3.80     | 4.86        | 0.75             |

### Investment Options

#### Age-based/Enrollment Year investment options:

The Age-Based option is offered in 3 different risk levels (Aggressive, Moderate, and Conservative) each containing 9 portfolios of underlying mutual funds. Contributions are placed into the portfolio corresponding to the risk level selected and the number of years to expected enrollment, and later reassigned to more conservative portfolios as the beneficiary approaches college age.

#### Static investment options:

Select among 5 multi-fund portfolios with varying risk tolerances and 3 individual-fund portfolios.

#### Underlying investments:

Vanguard mutual funds.

### Taxes and other Benefits

#### Program match on contributions:

The Matching Grant Program provides a dollar-for-dollar match of up to \$400 in contributions for lower- to middle-income Colorado residents to accounts with an eligible beneficiary (a dependent under age 13 at the time of initial application). Applications are accepted each year between September 1 and December 31. The match can extend for a maximum five years. Matching grants for future years are subject to continued funding by the sponsor. The CollegenInvest 529 Scholarship provides a \$2,000 scholarship to any full-time student who is a Colorado resident, has maintained or has had a parent/guardian maintain a CollegenInvest account for at least two years, and can substantiate an expected family contribution (EFC) between \$5,000 and \$25,000. The scholarship is renewable each year up to a total of four years or \$8,000. Applications are accepted January 1 through May 15.

#### State tax deduction or credit for contributions:

Contributions to a Colorado 529 plan, to the extent of the contributor's Colorado taxable income, are deductible in computing Colorado taxable income. Rollover contributions are not eligible for the deduction.

The Working Families College Savings Act offers a Colorado tax credit for employers who make contributions to CollegenInvest savings plans owned by their employees. The available tax credit is 20% of the amount contributed to a CollegenInvest 529 account, up to \$2,500 per employee.

#### State tax recapture provisions:

The principal portion of rollovers and nonqualified withdrawals from this plan are included in Colorado taxable income to the extent of prior Colorado tax deductions. Nonqualified withdrawals for this purpose do not include withdrawals made as the result of the beneficiary's death or disability or withdrawals made on account of the beneficiary's receipt of a scholarship.

#### State definition of qualified expenses

The state's definition of qualified education expenses currently includes expenses for attendance at an institution of higher education as defined by the Internal Revenue Code and its regulations addressing qualified state tuition programs. This does not include tuition for elementary or secondary education.

#### State tax treatment of qualified distributions:

Qualified distributions from Colorado and non-Colorado 529 plans are exempt.

#### State tax treatment of rollovers:

Colorado follows federal tax-free treatment except that outbound rollovers are subject to the recapture of prior state tax deductions.

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

No

#### 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.

### Plan Portfolios

### General

#### Program type:

Savings

#### How to enroll:

Enroll directly with the program.

#### Initial year of operation:

2004

#### State agency(ies):

CollegenInvest, a division of the Colorado Department of Higher Education

#### Program manager:

Ascensus Broker Dealer Services, Inc. and The Vanguard Group, Inc.

#### Program distributor:

Vanguard Marketing Corporation

### Contributions

#### Maximum contributions:

Accepts contributions until all account balances in Colorado's 529 plans for the same beneficiary reach \$400,000.

#### Minimum contributions:

The minimum initial contribution is \$25, and the minimum subsequent contribution is \$15.

### Fees & Expenses

#### Enrollment or application fee:

None.

#### Account maintenance fee:

\$20 for accounts with less than \$10,000, waived for Colorado residents and for accounts opting to receive all documents electronically.

#### Program management fees:

0.34% manager fee; fee includes underlying fund expenses and a 0.06% fee to the state.

CollegenInvest may charge an administrative fee of up to 0.10%. CollegenInvest will periodically reevaluate the 0.06% administrative fee rate and raise or lower it not to exceed 0.10%.

#### Expenses of the underlying investments:

Not applicable, included in the program management fee.

#### Total asset-based expense ratio:

0.34%

### Contact

#### Website:

<https://www.collegeninvest.org/our-savings-plans/direct-portfolio>

#### Telephone:

1-800-997-4295

#### Twitter

[CollegenInvestCO](#)

There is no investment data available for this plan. Please visit <https://www.collegeinvest.org/our-savings-plans/direct-portfolio> for additional information.