



Colorado - Direct Portfolio College Savings Plan

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
2.45	4.04	4.81	4.59	0.70

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 \$500 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 October 3 and December 29, 2023. The match can extend for a maximum five years. Matching grants for future years are subject to continued funding by the sponsor. In addition, First Step, a kickstarter savings program gives every child born or adopted in the State of Colorado, beginning on January 1, 2020, a \$100 contribution to their CollegeInvest 529 college savings account. Offering more opportunities for Colorado families to save for college, CollegeInvest will also match a portion of their future contributions, up to \$500 per year for five (5) consecutive years.

State tax deduction or credit for contributions:

For income tax year commencing on January 1, 2024, the Colorado income tax deduction otherwise available for contributions to any Colorado 529 plan or any 529 plan affiliated with an educational institution in Colorado shall not exceed \$22,700 per taxpayer per beneficiary for a taxpayer who files a single return, or \$34,000 per taxpayer per beneficiary for taxpayers who file a joint return. For income tax years commencing on or after January 1, 2025, the deduction limits described in the preceding sentence will be adjusted annually by the percentage change in the combined average annual costs of tuition and room and board for all Colorado institutions of higher education as determined by the Colorado Department of Education.

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

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 or an apprenticeship program, 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, or education loan payments. Distributions from a 529 account directly to a Roth IRA are not considered a qualified expense for state income tax purposes.

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

Data as of: 04/25/24

General

Program type:

Savings

How to enroll:

Enroll directly with the program.

Initial year of operation:

2004

State agency(ies):

CollegeInvest, a division of the Colorado Department of Higher Education

Program manager:

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

Program distributor:

Vanguard Marketing Corporation

Contributions

Maximum contributions:

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

Minimum contributions:

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

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

This plan offers a robust gifting platform that allows gift-givers to save their own profile for recurring or future contributions.

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:

0.29% manager fee; fee includes underlying fund expenses and a 0.06% fee to the state.
CollegeInvest may charge an administrative fee of up to 0.10%.
CollegeInvest 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, 0.02% - 0.04% included in the program management fee.

Total asset-based expense ratio:

0.29%

Contact

Website:

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

Telephone:

1-800-997-4295

Twitter

<http://twitter.com/#!/CollegeInvestCO>

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

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