



## Indiana - CollegeChoice 529 Direct Savings Plan

Data as of: 04/23/24

In September 2008, Upromise Investments, Inc., which was acquired by Ascensus College Savings in 2013, took over the management of the Indiana CollegeChoice 529 Direct Savings Plan from JPMorgan, and it now features a year of enrollment option, eight individual portfolios using a variety of investment managers, and an FDIC-insured savings account from NexBank. 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
4.25	4.20	4.74	4.45	0.50

### Investment Options

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

The Year of Enrollment Option contains 8 portfolios of underlying funds. Contributions are placed into the portfolio corresponding to the beneficiary's anticipated year of enrollment. Target allocations for the Year of Enrollment Portfolios evolve to more conservative investments as the beneficiary approaches college age.

#### Static investment options:

Select among 8 individual fund options using various investment managers plus an FDIC-insured Savings Portfolio.

#### Underlying investments:

Year of Enrollment Portfolios: Vanguard, Schwab, iShares, BlackRock, money market fund and savings account  
Individual Portfolios: Funds from Vanguard, JP Morgan, Carillon Tower Advisors, DFA, SSGA, and AQR  
The Savings Portfolio invests in the NexBank High-Yield Savings account.

### Taxes and other Benefits

#### Program match on contributions:

None.

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

Indiana taxpayers are eligible for a state income tax credit of 20% of contributions to an Indiana 529 Plan, up to \$1,500 credit per year (\$750 for married couples filing separately). Effective January 1, 2024, rollover contributions and contributions generated through a rewards program are not eligible for the credit. Effective January 1, 2023, the definition of an Indiana taxpayer was revised to include married individuals filing separately. The maximum annual credit allowed for a married taxpayer filing separately is \$750. Indiana residents may elect to treat contributions made through the deadline (excluding extensions) for filing an individual Indiana state income tax return (generally April 15) as having been made in the prior year in order to claim the allowable annual credit on their Indiana state tax return for the prior year. Contributions default to the current contribution year; if you wish to have a contribution made before Tax Day count toward the prior calendar year, include a letter with a mailed check or contact the plan administrator to make the request.

#### State tax recapture provisions:

An account owner must pay with the Indiana tax return a tax equal to the lesser of 20 percent of a nonqualified withdrawal from this plan, or the excess of (a) the total amount of all Indiana state income tax credits claimed by any contributor to the account for all taxable years beginning on or after January 1, 2007 over (b) the total amount of any repayments made for all taxable years beginning on or after January 1, 2008. Nonqualified withdrawals for this purpose include rollovers, distributions for K-12 tuition for a school outside of Indiana, education loan repayments (beginning 1/1/2020). Nonqualified withdrawals 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. Recapture will apply to any account terminated within 12 months from account opening date.

#### State definition of qualified expenses

The state definition of qualified education expenses includes expenses for higher education and apprenticeship programs, as well as up to \$10,000 per year in tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. Education loan repayments are not considered as a qualified education expense.

For Indiana state income tax purposes, a withdrawal for payment of K-12 Tuition Expenses at a K-12 school which is not located in Indiana will be treated as a non-qualified withdrawal and taxed as income to the extent previously deducted as a contribution to the College Choice 529 Direct Savings Plan. 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 Indiana and non-Indiana 529 plans are exempt.

#### State tax treatment of rollovers:

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

#### 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

### General

#### Program type:

Savings

#### How to enroll:

Enroll directly with the program.

#### Initial year of operation:

1997, but substantially changed in 2008

#### State agency(ies):

Indiana Education Savings Authority (IESA)

#### Program manager:

Ascensus Government Savings

#### Program distributor:

Ascensus College Savings

### Contributions

#### Maximum contributions:

Accepts contributions until all account balances in Indiana's 529 plan for the same beneficiary reach \$450,000.

#### Minimum contributions:

\$10

#### 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 annually, waived for Indiana residents or beneficiaries and for accounts with \$25,000.

#### Program management fees:

0.24% in the Year of Enrollment Option; 0.14% in the Individual Portfolios and Savings Portfolio.

#### Expenses of the underlying investments:

Ranges from 0.03% to 0.04% in the Year of Enrollment Option and from 0.02% to 0.50% in the Individual Portfolios (portfolio weighted average). None in the Savings Portfolio.

#### Total asset-based expense ratio:

0.14% - 0.64%

### Contact

#### Website:

<https://www.collegechoicedirect.com>

#### Telephone:

1-866-485-9415

#### Facebook

<https://www.facebook.com/collegechoice529/>

**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.

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**Plan Portfolios**

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