



Indiana - CollegeChoice CD 529 Savings Plan

Data as of: 06/12/21

Two FDIC-insured options are offered in the CollegeChoice CD 529 Savings Plan: (1) fixed-rate CDs with one-year, two-year or three-year maturities, and (2) the Honors Savings Account, a high-yield savings account available from College Savings Bank, a Division of NexBank. The plan ceased offering InvestorSure CDs and CollegeSure CDs to investors as of August 2, 2016 and October 21, 2016. InvestorSure CDs and CollegeSure CDs issued prior to those dates will continue to be managed and serviced by CollegeSure until their maturity dates.

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
NA	0.00	2.52	3.44	0.50

Investment Options

Age-based/Enrollment Year investment options:

None.

Static investment options:

Fixed-rate CDs earn interest at the rate posted at the time of purchase, and posted rates may change at any time. The Honors Savings Account currently features an APY of 0.64%, over 12 times higher than the national rate average of 0.05%.

Underlying investments:

FDIC-insured certificates of deposit and a high-yield savings account from College Savings Bank, a Division of NexBank.

Taxes and other Benefits

Program match on contributions:

None.

State tax deduction or credit for contributions:

A 20% tax credit on up to \$5,000 per year in contributions to an Indiana 529 plan can be claimed against Indiana income tax (maximum yearly credit is \$1,000). Effective January 1, 2010, rollover contributions and contributions generated through a rewards program are not eligible for the credit. Effective January 1, 2020, the definition on an Indiana taxpayer was revised to include married individuals filing separately. The maximum annual credit allowed for a married taxpayer filing separately is \$500.

State tax recapture provisions:

The account owner (not the contributor) must repay all or part of the state income tax credit claimed by contributors in prior taxable years in a taxable year of the Recapture Distribution. A Recapture Distribution is a: non-qualified distribution (other than if the distribution is because of the death or disability of the beneficiary, or if the beneficiary received a scholarship that paid for all or part of the qualified expenses of the beneficiary (to the extent that the withdrawal or distribution does not exceed the amount of the scholarship), or a refunded distribution); distribution used to pay K-12 tuition for a school outside of Indiana; effective January 1, 2020, distribution used to make education loan repayments; rollover distribution; or termination of an account within twelve months after the account was opened.

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.

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

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 directly or through approved Indiana banks and financial advisors.

Initial year of operation:

2011

State agency(ies):

Indiana Education Savings Authority (IESA)

Program manager:

College Savings Bank, a Division of NexBank

Program distributor:

College Savings Bank, a Division of NexBank

Contributions

Maximum contributions:

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

Minimum contributions:

Fixed Rate CDs: With lump-sum contributions, the minimum initial contribution is \$250. With the automatic investment plan, the minimum contribution level is \$25 per month via electronic funds transfer, or \$25 per pay period via payroll deduction. Deposits under \$250 are held in an interest bearing savings account, and each time the balance reaches \$250, a CD purchase is made.

Honors Savings Account: The minimum initial deposit is \$250. With the automatic investment plan, the minimum contribution level is \$25 per month via electronic funds transfer, or \$25 per pay period via payroll deduction.

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

Yes

Fees & Expenses

Enrollment or application fee:

None.

Account maintenance fee:

None.

Program management fees:

None.

Expenses of the underlying investments:

Not applicable, interest rate on CD is tied to a formula. No fees associated with the Honors Savings Account.

Contact

Website:

<http://www.collegechoicecd.com>

Telephone:

1-888-913-2885

Plan Portfolios

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