

Maryland 529 -- Maryland Senator Edward J. Kasemeyer Prepaid College Trust

Data as of: 04/24/24

The Maryland 529 -- Prepaid College Trust has closed to new enrollments as of June 1, 2023.

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:



Financial benefits

4.00

Safety

5.00

Features

3.50

Reliability

5.00

Contractual Features

Contract prices:

Prices for contracts purchased during the 2021-22 enrollment period range from as little as \$5,099 for a one-year community college contract for a newborn to as much as \$49,226 for a four-year university contract for a child in the ninth through twelfth grades.

Available tuition packages:

One semester to four years at a Maryland public 4-year university, one or two years at a Maryland community college or a community/university combination (2 years of each).

Benefits for beneficiary attending private or out-of-state institution:

The plan will pay the actual tuition up to either the weighted average tuition in the Prepaid College Trust plan purchased or the minimum benefit, whichever is greater. If the beneficiary receives a scholarship, grant, or tuition remission, the plan will pay any remaining tuition up to the scheduled benefit.

Contract payment options:

Lump sum, annual, monthly, and extended monthly installments. At any time, you may elect to make a down payment of at least 25% of the payoff amount. All initial payments following enrollment are due on the first of the month on or before 60 days after enrollment.

Are program benefits backed by the full faith and credit of the state?

No

Are program benefits collateralized or guaranteed in any other way?

Yes, the legislature is required to consider, but not necessarily approve, an appropriation to cover any shortfall, repayable within two years.

Taxes and other Benefits

State tax deduction or credit for contributions:

Contributions to the Maryland 529 -- Prepaid College Trust of up to \$2,500 per account per year by an individual, and up to \$5,000 per beneficiary per year by married taxpayers filing jointly are deductible in computing Maryland taxable income, with an unlimited carryforward of excess contributions. Account owners and contributors are eligible for the deduction. Rollover contributions are deductible if not previously deducted. Contribution deadline is December 31 postmark.

State tax recapture provisions:

The principal portion of nonqualified withdrawals from this plan are included in Maryland taxable income to the extent of prior Maryland tax deductions. Rollovers are not subject to recapture.

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. FOR PURPOSES OF THE PREPAID TRUST, THE DEFINITION DOES NOT INCLUDE ANY AMOUNT OF TUITION IN CONNECTION WITH ENROLLMENT OR ATTENDANCE AT AN ELEMENTARY OR SECONDARY PUBLIC, PRIVATE OR RELIGIOUS SCHOOL.

State tax treatment of qualified distributions:

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

State tax treatment of rollovers:

Maryland follows federal tax-free treatment.

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:

Prepaid contract

How to enroll:

Enroll directly with the program.

Initial year of operation:

1998

State agency(ies):

Maryland 529

Enrollment period:

Closed to new enrollments as of June 1, 2023

Fees & Expenses

Enrollment or application fee:

There is no enrollment or application fee.

Contact

Website:

<https://maryland529.com/college-savings-plans-of-maryland/maryland-prepaid-college-trust>

Telephone:

1-888-463-4723

Twitter

@MD529Plans

Facebook

<https://www.facebook.com/maryland529/>

There is no investment data available for this plan. Please visit <https://maryland529.com/college-savings-plans-of-maryland/maryland-prepaid-college-trust> for additional information.