



Massachusetts - U.Plan

Data as of: 04/19/24

The Massachusetts U.Plan Prepaid Tuition Program, not a true 529 plan, issues Massachusetts general obligation bonds (federal and MA state tax-free) which will be accepted at participating Massachusetts institutions in payment of tuition.

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	Safety	Features	Reliability
4.00	5.00	3.00	4.00

Contractual Features

Contract prices:

The minimum contribution amount is \$300 for one Tuition Certificate per maturity year.

Available tuition packages:

Massachusetts general obligation bonds that may be redeemed for a pre-determined percentage of tuition and fees at a participating Massachusetts institution.

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

Participating public and private institutions in MA are covered by the U.Plan. Use at non-participating and out-of-state institutions provides a return of principal plus interest compounded annually equal to the Consumer Price Index.

Contract payment options:

Lump sum only.

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

Yes

Are program benefits collateralized or guaranteed in any other way?

No

Taxes and other Benefits

State tax deduction or credit for contributions:

Effective January 1, 2017, contributions to Massachusetts 529 plans of up to \$1,000 per year by an individual, and up to \$2,000 per year by a married couple filing jointly, are deductible in computing Massachusetts taxable income.

State tax recapture provisions:

The principal portion of nonqualified withdrawals from this plan are included in Massachusetts taxable income to the extent of prior Massachusetts tax deductions.

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. 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:

As a Massachusetts general obligation bond, earnings from the U.Plan are exempt from Massachusetts tax. Massachusetts law also exempts qualified distributions from Massachusetts and non-Massachusetts 529 plans.

State tax treatment of rollovers:

Not applicable. Because U.Plan is not a 529 plan, rollovers into U.Plan are not eligible for federal or state 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

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

General

Program type:

Prepaid contract

How to enroll:

Enroll directly with the program.

Initial year of operation:

1995

State agency(ies):

Massachusetts Educational Financing Authority (MEFA)

Enrollment period:

Typically May and June each year.

Contributions

Fees & Expenses

Enrollment or application fee:

None.

Contact

Website:

<http://www.mefa.org/uplan>

Telephone:

1-800-449-6332

Twitter

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

Facebook

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