

Michigan Education Trust

Data as of: 05/08/24

The Michigan Education Trust prepaid tuition program offers several options to the Michigan family to lock in tuition at Michigan public institutions. What makes this program different than most is that contributions are irrevocable.

5-Cap Rating

Resident:



Non-Resident:



Not Open

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)

Financial benefits

3.00

Safety

4.00

Features

3.00

Reliability

3.00

Contractual Features

Contract prices:

2021-22 Enrollment:

MET contracts offer three purchase options: Lump Sum, Pay-As-You-Go, and Monthly.

The Pay-As-You-Go option allows purchases of credit hours. From December 1, 2021 to September 30, 2022, prices range from \$120 per credit hour for a community college contract to \$750 per credit hour for a full benefits contract.

Monthly purchases are available in four, seven, ten, and fifteen year increments, depending on the age of the beneficiary. From December 1, 2021 to September 30, 2022 payments range from \$15 for community college benefits (newborn to age 2) to \$1,640 for full benefits (newborn to 8th grade).

For the period of December 1, 2021 through September 30, 2022, lump sum prices range from as little as \$1,800 for a one-semester community college contract to as much as \$90,000 for a four-year full benefits contract.

Available tuition packages:

The Full Benefits contract pays for one to eight semesters of tuition and mandatory fees at any Michigan public institution; the Limited Benefits contract pays for one to eight semesters of tuition and mandatory fees at Michigan public institutions up to 105% of the weighted average tuition of all Michigan four-year universities; and the Community College contract pays one to four semesters of in-district tuition and mandatory fees at any Michigan public community college.

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

Weighted average public tuition if used at in-state private colleges and the average public tuition if used out-of-state.

Contract payment options:

Lump sum, or monthly over 4 years, 7 years, 10 years, or 15 years. Date when payments begin under a monthly purchase contract depends on when the contract is submitted. Pay-As-You-Go option requires a minimum initial purchase of one-credit hour, but subsequent purchases can be made at any time in minimum increments of \$25. Pay-As-You-Go contracts must be completed 45 days before use.

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

No

Are program benefits collateralized or guaranteed in any other way?

No

Taxes and other Benefits

State tax deduction or credit for contributions:

Contributions to the Michigan Education Trust are fully deductible from Michigan taxable income. Rollover contributions are not eligible for the deduction, according to the Michigan Department of Treasury.

State tax recapture provisions:

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

State tax treatment of qualified distributions:

Qualified distributions from Michigan and non-Michigan 529 plans are exempt. Also excluded are distributions made due to the beneficiary's death, disability, scholarship, or attendance at one of the U.S. military academies.

State tax treatment of rollovers:

Michigan follows federal tax-free treatment.

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:

Prepaid contract

How to enroll:

Enroll directly with the program.

Initial year of operation:

1988

State agency(ies):

MET Board of Directors and Department of Treasury

Enrollment period:

The Enrollment Period to purchase MET contracts is December 1, 2021 - September 30, 2022.

Contributions

Minimum contributions:

In the December 2020 - September 2021 enrollment, \$1,875 for a one-semester Community College contract purchased in a lump sum for a newborn. Installment plan payments available for as low as \$16 per month.

Fees & Expenses

Enrollment or application fee:

On-line enrollment: \$25

Enrollment by mail: \$60

Contact

Website:

<http://www.michigan.gov/setwithmet>

Telephone:

1-800-638-4543

Twitter

<https://twitter.com/SETwithMET>

Facebook

[mieducationtrust](https://www.facebook.com/mieducationtrust)

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.michigan.gov/setwithmet> for additional information.