



Michigan Education Savings Program (MESP)

Data as of: 10/22/19

The Michigan Education Savings Program is similar to other TIAA-managed 529 savings programs. The Program features an age-based option, four multi-fund options, a single fund option and a principal protection option.

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
4.50	5.00	3.05	4.57	0.40

Investment Options

Age-based investment options:

The Age-Based Option is offered in 3 different risk levels (Aggressive, Moderate, and Conservative), each containing 9 portfolios of underlying mutual funds. Contributions are placed into the portfolio corresponding to the beneficiary's age and later reassigned to more conservative portfolios as the beneficiary approaches college age.

Static investment options:

Select among 4 multi-fund options (the International Equity Index Option, the Global Equity Index Option, the 100% Fixed Income Option, and the Balanced Option), the U.S. Equity Index Option and the Principal Plus Interest Option

Underlying investments:

TIAA-CREF institutional mutual funds and one Vanguard index fund. The Principal Plus Interest Option is invested in a funding agreement with TIAA-CREF Life Insurance Company that guarantees principal and a minimum annual rate (actual rate is declared annually).

Taxes and other Benefits

Program match on contributions:

Michigan matching grants based on MESP contributions were discontinued for the 2009-2010 year. In prior years, a Michigan resident with adjusted gross income of \$80,000 or less and a beneficiary under seven years old could apply for a one-time matching grant of \$1 for every \$3 contributed, up to a maximum \$200 grant.

State tax deduction or credit for contributions:

Contributions to a Michigan's 529 savings plan of up to \$5,000 per year by an individual, and up to \$10,000 per year by a married couple filing jointly, are deductible in computing Michigan taxable income. Contributions must be reduced by qualified withdrawals during the year for purposes of determining the amount that may be deducted. Rollover contributions are not deductible, according to the Michigan Department of Treasury. Contribution deadline is December 31.

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 definition of qualified expenses

The state's definition of qualified education expenses currently includes expenses for attendance at an institution of higher education as defined by the Internal Revenue Code and its regulations addressing qualified state tuition programs. This does not include tuition for elementary or secondary education.

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

Does the program have a formal agreement with a rewards program or outside scholarship 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.misaves.com> for additional information.

General

Program type:

Savings

How to enroll:

Enroll directly with the program.

Initial year of operation:

2000

State agency(ies):

Michigan Department of Treasury

Program manager:

TIAA-CREF Tuition Financing, Inc.

Program distributor:

TIAA-CREF Individual & Institutional Services, LLC

Contributions

Maximum contributions:

Accepts contributions until all account balances in Michigan's 529 plan for the same beneficiary reach \$500,000.

Minimum contributions:

\$25, or \$15 per pay period via payroll deduction.

Fees & Expenses

Enrollment or application fee:

None.

Account maintenance fee:

None.

Program management fees:

0.02% manager fee plus 0.05% state fee. No fee for the Principal Plus Interest Option.

Expenses of the underlying investments:

0.06% - 0.17%. None for the Principal Plus Interest Option.

Total asset-based expense ratio:

0.12% - 0.24%. None for the Principal Plus Interest Option.

Contact

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<http://www.misaves.com>

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