



## Michigan Education Savings Program (MESP)

Data as of: 04/26/24

The Michigan Education Savings Program is similar to other TIAA-managed 529 savings programs. The Program features an enrollment year option, six multi-fund options, five single fund options 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
3.95	4.86	4.55	4.32	0.40

### Investment Options

#### Age-based/Enrollment Year investment options:

The Enrollment Year Investment Option contains 10 portfolios of underlying mutual funds. The asset allocation of the money invested in these investment options is automatically adjusted over time to become more conservative as the number of years to enrollment for the student decreases. Except for the In School Portfolio, each Enrollment Year Investment Portfolio's investments in its underlying funds and a funding agreement are assessed and rebalanced on a quarterly basis by the program manager.

#### Static investment options:

Select among 6 multi-fund options, five single fund options and a guaranteed option.

#### Underlying investments:

TIAA-CREF, Vanguard, Schwab and iShares funds. 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 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 or an apprenticeship program, 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, or education loan payments. 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:

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

#### 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.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.

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

This plan offers a robust gifting platform that allows gift-givers to save their own profile for recurring or future contributions.

### Fees & Expenses

#### Enrollment or application fee:

None.

#### Account maintenance fee:

None.

#### Program management fees:

0.02% manager fee plus 0.025% state fee. No fee for the Principal Plus Interest Option.

#### Expenses of the underlying investments:

0.02% - 0.14%. None for the Principal Plus Interest Option.

#### Total asset-based expense ratio:

0.07% - 0.19%. None for the Principal Plus Interest Option.

### Contact

#### Website:

<http://www.misaves.com>

#### Telephone:

1-877-861-6377