



Minnesota College Savings Plan

Data as of: 03/28/24

Minnesota College Savings Plan is a TIAA-managed 529 savings program features an Enrollment Year Investment Option, seven Multi-fund options and three Single fund options and a guaranteed 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
3.97	4.63	4.36	4.18	0.00

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.

Static investment options:

Select among 11 options: 7 multi-fund portfolios, three single fund portfolios including the Social Choice Equity Option, and the Principal Plus Interest Option.

Underlying investments:

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

Taxes and other Benefits

Program match on contributions:

Minnesota no longer offers a matching grant. For years prior to 2011, a 15% or 10% matching grant of up to \$400 per year was available to Minnesota residents, subject to income limitations.

State tax deduction or credit for contributions:

Minnesota taxpayers may claim either a tax deduction or a tax credit depending on their income, for contributions to ANY state's 529 plan. A \$1,500 tax deduction (\$3,000 for a married couple filing jointly) can be claimed against Minnesota income tax. Alternatively, a tax credit equal to 50% of the contributions to accounts, reduced by any withdrawals, may be claimed with a maximum credit amount of up to \$500, subject to a phase-out schedule, depending on the taxpayer's federal adjusted gross income. The income thresholds used to determine the maximum credit amount are adjusted annually for inflation.

State tax recapture provisions:

In the case of a nonqualified or taxable distribution, the taxpayer is liable to state recapture of their tax benefit in the form of an additional tax for all prior years in which the benefit was claimed. The additional tax is determined by a statutory formula that multiplies the amount of the non-qualified withdrawal or taxable withdrawal by a "credit ratio" and a "subtraction ratio."

- The "credit ratio" is a ratio of (i) two times the total amount of credits that the account owner claimed for contributions to the accounts to (ii) the total contributions in all taxable years to the account owners accounts.

- The "subtraction ratio" is the ratio of (i) the total amount of subtractions that an account owner claimed for contributions to the account owner's accounts to (ii) the total contributions in all taxable years to the account owner's accounts.

The additional tax is calculated as 50% of the product of the credit ratio multiplied by the amount of the non-qualified or taxable withdrawal, plus 10% of the product of the subtraction ratio multiplied by the amount of the non-qualified or taxable withdrawal.

However, the Minnesota additional tax will not apply to any portion of a Non-Qualified Withdrawal that is subject to the federal additional tax.

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 Minnesota and non-Minnesota 529 plans are exempt.

State tax treatment of rollovers:

Minnesota 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

General

Program type:

Savings

How to enroll:

Enroll directly with the program.

Initial year of operation:

2001

State agency(ies):

Minnesota Office of Higher Education and the State Board of Investment

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 Minnesota's 529 plan for the same beneficiary reach \$425,000.

Minimum contributions:

\$25 per investment option, or \$15 per investment option 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:

0.10% manager fee plus 0.0025% state fee. Manager fee and state fee do not apply to the Principal Plus Interest Option.

Expenses of the underlying investments:

Ranges from 0.02% to 0.06% in the Enrollment Year Investment Option and 0.03% to 0.18% in the Multi-fund and Single Fund Investment Options; none for the Principal Plus Interest Option.

Total asset-based expense ratio:

0.12% to 0.28%. None for the Principal Plus Interest Option.

Contact

Website:

<http://www.mnsaves.org>

Telephone:

1-877-338-4646

Facebook

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

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.mnsaves.org> for additional information.