



Arkansas - GIFT College Investing Plan

Data as of: 04/10/20

The team of Ascensus College Savings and The Vanguard Group manages the Arkansas' GIFT College Investing Plan, featuring age-based and static portfolio options utilizing Vanguard mutual funds, and an FDIC-insured savings option. Accounts can be linked to the Upromise rewards service.

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
2.97	3.88	3.95	4.21	0.80

Investment Options

Age-based/Enrollment Year 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 risk level selected and the number of years to expected enrollment, and later reassigned to more conservative portfolios as the beneficiary approaches college age.

Static investment options:

Select among 5 multi-fund portfolios with varying risk tolerances, a money-market portfolio, and an FDIC-insured savings option.

Underlying investments:

Vanguard mutual funds, Sallie Mae

Taxes and other Benefits

Program match on contributions:

The Aspiring Scholars Matching Grant Program program was discontinued as of January 1, 2017 and is no longer available to new account owners. Beginning in 2008, the program provided matching grants of up to \$500 annually to eligible Arkansas families, based on household income level. Account owners with matching grant accounts may continue to access matching grant funds for qualified withdrawals until the funds have been exhausted.

State tax deduction or credit for contributions:

Contributions to an Arkansas 529 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 Arkansas taxable income, with a four-year carryforward of excess contributions. Contributions to a NON-Arkansas plan of up to \$3,000 per year by an individual, and up to \$6,000 per year by a married couple filing jointly, are deductible. Rollover contributions from another state's plan are deductible in the amount of \$7,500 per individual and \$15,000 per couple. Employers are allowed a \$500 deduction per employee for 529 matches into Arkansas plans. Contribution deadline is December 31, and state must receive it by a specified date following December 31.

State tax recapture provisions:

The principal portion of rollovers and non-qualified withdrawals from this plan are included in Arkansas taxable income to the extent of prior Arkansas tax deductions.

State definition of qualified expenses

The state definition of qualified education expenses includes expenses for higher education, as well as up to \$10,000 per year in tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school.

State tax treatment of qualified distributions:

Qualified distributions from Arkansas and non-Arkansas 529 plans are exempt.

State tax treatment of rollovers:

Arkansas follows federal tax-free treatment for rollovers except that outbound rollovers are subject to the recapture of prior state tax deductions. Inbound rollover contributions from another state's plan are deductible in the amount of \$7,500 per individual and \$15,000 per couple.

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.thegiftplan.com> for additional information.

General

Program type:

Savings

How to enroll:

Enroll directly with the program.

Initial year of operation:

1999, but substantially changed in February 2005

State agency(ies):

The Arkansas 529 Plan Review Committee, composed of the Director of the Department of Higher Education, the Executive Director of the Arkansas Teacher Retirement System, and the Arkansas State Treasurer

Program manager:

Ascensus College Savings, with The Vanguard Group as investment manager

Program distributor:

Ascensus College Savings

Contributions

Maximum contributions:

Accepts contributions until all account balances in Arkansas' 529 plans for the same beneficiary reach \$366,000.

Minimum contributions:

With lump-sum contributions, the minimum initial contribution is \$25, and the minimum subsequent contribution is \$10. With the automatic investment plan, the minimum contribution level is \$10 per month or \$30 per quarter via bank transfer or \$5 per pay period via payroll deduction.

Fees & Expenses

Enrollment or application fee:

None.

Account maintenance fee:

\$20 annually, waived for Arkansas residents.

Program management fees:

0.48% manager fee; fee includes underlying fund expenses and a 0.07% fee to the state; 0.32% for the Savings Portfolio

Expenses of the underlying investments:

Not applicable, included in the program management fee.

Total asset-based expense ratio:

0.53%; 0.39% for the Savings option

Contact

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