



Pennsylvania 529 Guaranteed Savings Plan

Data as of: 09/23/21

In the Pennsylvania 529 Guaranteed Savings Plan, Pennsylvania residents acquire units that increase in value over time to track average tuition increases in one of several school categories as selected by the participant. The ability to switch categories retroactively makes this a flexible option to lock in tuition no matter which particular college the beneficiary attends. 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:  Not Open

Financial benefits	Safety	Features	Reliability
4.00	4.00	5.00	4.00

Contractual Features

Current value of one unit:

Determined by the "Tuition Inflation Rate" for the "Tuition Level" selected by the participant; may be reduced with a non-qualified withdrawal to the "net earnings rate" of the program fund's investments but not below the participant's contributions less fees.

Current unit price:

Varies by the "Tuition Level" selected by the participant.

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 Pennsylvania AND non-Pennsylvania 529 plans of up to the gift-tax annual exclusion amount (\$15,000 in 2020) per beneficiary are deductible in computing Pennsylvania taxable income. Spouses filing jointly must each have at least \$15,000 in income to claim the maximum \$30,000 per-beneficiary deduction. Rollovers from another 529 plan or from qualified U.S. savings bonds are not eligible for the deduction.

State tax recapture provisions:

Nonqualified distributions from any 529 plan are included by Pennsylvania taxpayers in Pennsylvania taxable income to the extent they are not a recovery of nondeductible contributions, following rules set forth in PIT Bulletin 2006-04. Rollovers are not subject to Pennsylvania tax.

State tax treatment of qualified distributions:

Qualified distributions from Pennsylvania and non-Pennsylvania 529 plans are exempt. Accounts in a Pennsylvania 529 plan are also exempt from Pennsylvania inheritance tax.

State tax treatment of rollovers:

Pennsylvania 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 participants are also eligible for "Tuition Rewards" - guaranteed tuition discounts at over 200 colleges participating in the privately-run SAGE Scholars program.

Plan Portfolios

There is no investment data available for this plan. Please visit <http://www.pa529.com/guaranteed-savings-plan/> for additional information.

General

Program type:

Guaranteed savings

How to enroll:

Enroll directly with the program.

Initial year of operation:

1993

State agency(ies):

Pennsylvania State Treasury Department

Enrollment period:

Open year-round. Price change each year on September 1.

Contributions

Maximum contributions:

Accepts contributions until all account balances in Pennsylvania's 529 plans for the same beneficiary reach \$511,758.

Minimum contributions:

\$15 per transaction

Fees & Expenses

Enrollment or application fee:

None

Account maintenance fee:

The plan imposes a 0.40% asset-based fee (\$4.00 per \$1,000 of account value per year not to exceed \$500 per year) paid via reduction in plan credits. Account owners who receive statements and notices via email pay a 0.30% asset-based fee not to exceed \$250 per year.

Contact

Website:

<http://www.pa529.com/guaranteed-savings-plan/>

Telephone:

1-800-440-4000