



Vermont Higher Education Investment Plan

Data as of: 10/22/19

The Vermont Higher Education Investment Plan features age-based and static options from Vanguard and DFA. The plan also offers a TIAA-CREF life insurance product 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
2.82	4.18	3.22	4.14	0.30

Investment Options

Age-based investment options:

The Managed Allocation Option contains 6 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:

Choose from among 5 multi-fund options (Diversified Equity Portfolio, Equity Index Portfolio, Balanced Portfolio, Fixed Income Portfolio, and the Principal Plus Interest Option).

Underlying investments:

Mutual funds from TIAA, Vanguard, DFA, and the TIAA-CREF Life Insurance Company Funding Agreement.

Taxes and other Benefits

Program match on contributions:

None.

State tax deduction or credit for contributions:

Contributions to the Vermont 529 plan of up to \$2,500 per beneficiary per year by an individual, and up to \$5,000 per beneficiary per year if the contributors are married and file a joint tax return, are eligible for a 10% Vermont income tax credit (up to \$250 per beneficiary per individual taxpayer or \$500 per beneficiary for married taxpayers filing jointly). Taxpayers may claim the credit for contributions to a VHEIP account they own or for gift contributions to a VHEIP account owned by someone else. The principal portion of a rollover from another 529 plan is eligible for the credit, provided the funds remain in the account for the remainder of the taxable year. Contribution deadline is December 31.

State tax recapture provisions:

Nonqualified withdrawals from this plan are subject to recapture, to the extent of Vermont tax credits previously claimed. Outbound rollovers are not subject to recapture. Withdrawals used for costs related to K-12 Schools are subject to Vermont state tax credit 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 Vermont and non-Vermont 529 plans are exempt.

State tax treatment of rollovers:

Vermont follows federal tax-free treatment.

Does the sponsoring state exclude the value of an account for state financial aid purposes?

No, however the account is treated as an asset of the student's parent and not as an asset of the beneficiary

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.vheip.org> for additional information.

General

Program type:

Savings

How to enroll:

Enroll directly with the program.

Initial year of operation:

1999

State agency(ies):

Vermont Student Assistance Corporation (VSAC)

Program manager:

Intuition College Savings Solutions, LLC

Program distributor:

Vermont Student Assistance Corporation (VSAC)

Contributions

Maximum contributions:

Accepts contributions until all account balances in Vermont's 529 plan for the same beneficiary reach \$352,800.

Minimum contributions:

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

Fees & Expenses

Enrollment or application fee:

None.

Account maintenance fee:

A \$10 mail delivery fee is charged annually, waived for accounts that have elected electronic delivery of all documents.

Program management fees:

Plan management fee ranges from 0.27% - 0.30%; administrative fee of 0.05% for each portfolio.

Expenses of the underlying investments:

0.04% to 0.07%; none for the Principal Plus Interest Option.

Total asset-based expense ratio:

0.39% for each portfolio; none for the Principal Plus Interest Option.

Contact

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<http://www.vheip.org>

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