

## Pennsylvania 529 Investment Plan

Data as of: 04/19/24

Pennsylvania's 529 Investment Plan is available to residents of any state, and offers 26 Vanguard investment options, including a socially responsible equity portfolio. Pennsylvania residents may enjoy a state tax deduction for contributions to the plan.

### 5-Cap Rating

Resident:



Non-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)

Performance	Costs	Features	Reliability	Resident Upgrade
2.52	4.30	5.00	3.91	0.20

### Investment Options

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

The Target Enrollment options contain 12 portfolios invested in Vanguard mutual funds and/or the Vanguard Short-Term Reserves Account. Contributions are placed into the portfolio corresponding to the beneficiary's age or anticipated year of enrollment and later reassigned to more conservative portfolios as the beneficiary approaches college age.

#### Static investment options:

Select among 6 multi-fund portfolios (Aggressive Growth, Growth, Moderate Growth, Conservative Growth, Income, and Conservative Income) and 8 individual-fund portfolios.

#### Underlying investments:

Vanguard mutual funds

### Taxes and other Benefits

#### Program match on contributions:

None., The Pennsylvania Treasury Department invests \$100 for every child born in the Commonwealth via the Keystone Scholars program. Parents have until a child's first birthday to claim the \$100 Keystone Baby Scholars investment by registering online or calling 1-800-440-4000.

#### State tax deduction or credit for contributions:

Contributions to Pennsylvania AND non-Pennsylvania 529 plans of up to the gift-tax annual exclusion amount (\$18,000 in 2024) per beneficiary are deductible in computing Pennsylvania taxable income. Spouses filing jointly must each have at least \$18,000 in income to claim the maximum \$36,000 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 definition of qualified expenses

The state's 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. Distributions from a 529 account directly to a Roth IRA are considered a qualified expense for state income tax purposes.

#### 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 who are Pennsylvania residents are also eligible for "Tuition Rewards" - guaranteed tuition discounts at over 330 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/investment-plan/> for additional information.

### General

#### Program type:

Savings

#### How to enroll:

Enroll directly with the program.

#### Initial year of operation:

2002, but substantially changed in November 2006

#### State agency(ies):

Pennsylvania Treasury Department

#### Program manager:

Pennsylvania Treasury Department, with Ascensus College Savings as record-keeper and servicing agent, and Vanguard as investment manager.

#### Program distributor:

Pennsylvania Treasury Department

### Contributions

#### Maximum contributions:

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

#### Minimum contributions:

No initial deposit required. Subsequent deposits can be a little as \$1.

#### 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:

\$10 annually, waived for accounts that have elected electronic delivery of all documents.

#### Program management fees:

0.29%, consisting of 0.0500% fee to the Commonwealth and 0.1175% combined fee to Upromise and Vanguard

#### Expenses of the underlying investments:

Ranges from 0.02% - 0.12%

#### Total asset-based expense ratio:

0.1875% - 0.2875%

### Contact

#### Website:

<http://www.pa529.com/investment-plan/>

#### Telephone:

1-800-440-4000