



Connecticut Higher Education Trust (CHET)

Data as of: 03/28/24

Connecticut Higher Education Trust (CHET), a Fidelity-managed 529 plan follows the same approach as other Fidelity plans in Arizona, Delaware, Massachusetts and New Hampshire. It features three age-based options; one using Fidelity Series actively managed funds; one using Fidelity Series index funds; and a third using a combination of the two. The Connecticut plans also offers 11 static options, an option that invests in an interest-bearing deposit account, and a stable value option that invests in a separately managed account that may invest in individual securities or Fidelity mutual funds and investment contracts issued by third-party insurance companies or banks. Prior to February 2021, the plan was managed by TIAA-CREF.

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	
2.34	4.15	4.49	4.73	0.50	

Investment Options

Age-based/Enrollment Year investment options:

Choose between 3 target date options, one invested in Fidelity Series actively managed funds, another invested in Fidelity Series index funds, and a Fidelity Blend option with a combination of both. Contributions are placed into the portfolio corresponding to the beneficiary's age. The portfolios automatically shift to a more conservative investment allocation over time.

Static investment options:

Select among 6 multi-fund portfolios, 6 individual-fund portfolios, a Bank Deposit Portfolio and a Stable Value Portfolio.

Underlying investments:

Fidelity Investments. For the Bank Deposit Portfolio only, a deposit in a FDIC-insured interest-bearing account (Wells Fargo). The T-C Life Funding Agreement is issued and managed by TIAA-CREF Life Insurance Company).

Taxes and other Benefits

Program match on contributions:

The CHET Baby Scholars program provides a one-time \$100 contribution to families that open a 529 college savings account by an eligible child's first birthday or within the first year after an adoption. A beneficiary is eligible for only one \$100 contribution regardless of the number of CHET 529 accounts opened.

State tax deduction or credit for contributions:

Contributions to a Connecticut 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 Connecticut taxable income, with a five-year carryforward of excess contributions. Rollover contributions are not deductible.

State tax recapture provisions:

None.

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 Connecticut and non-Connecticut 529 plans are exempt. Nonqualified distributions from Connecticut 529 plans made to the account beneficiary are also exempt (i.e. income reported for federal purposes may be subtracted on the CT tax return).

State tax treatment of rollovers:

Connecticut 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

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.

General

Program type:

Savings

How to enroll:

Enroll directly with the program.

Initial year of operation:

1997, substantially changed in 2021

State agency(ies):

Connecticut State Treasurer

Program manager:

Fidelity Investments

Program distributor:

Fidelity Brokerage Services, LLC

Contributions

Maximum contributions:

Effective 10/1/22, accepts contributions until account balances in CHET 529 for the same beneficiary reaches \$550,000

Minimum contributions:

There is no minimum to open an account. With the automatic investment plan, the minimum contribution level is \$15 per month or \$45 per quarter.

Does the program offer an e-gifting platform for receiving gift contributions?

This plan offers an online tool to share a gift contribution link with family and friends.

Fees & Expenses

Enrollment or application fee:

None.

Account maintenance fee:

None.

Program management fees:

0.09% for the index fund options (includes 0.01% state fee); 0.17% for the Fidelity fund options (includes 0.01% state fee); 0.12% for the Fidelity Blend options (includes 0.01% state fee). For the Bank Deposit Portfolio, there is a 0.05% Program Management Fee (includes 0.05% state fee) and is based on the Federal Funds Target Rate. For the Stable Value Portfolio, there is a 0.08% Program Management Fee

Expenses of the underlying investments:

Ranges from 0.04% to 0.05% annualized in the Fidelity index fund portfolios, from 0.30% to 0.78% annualized in the Fidelity funds portfolios, 0.28% to 0.48% in the Fidelity Blend portfolios and 0.45% in the Stable Value Portfolio. For the Bank Deposit Portfolio, there is no underlying fund expense. There is, however, a Bank Administration Fee, which ranges from 0.00%-0.40% and is based on the Federal Funds Target Rate.

Total asset-based expense ratio:

0.10% - 0.95%

Contact

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Plan Portfolios

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