



Connecticut Higher Education Trust (CHET)

Data as of: 12/07/19

Similar to other TIAA-managed 529 savings programs, the Connecticut Higher Education Trust (CHET) features three age-based options along with eight static investment options.

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 |
|-------------|-------|----------|-------------|------------------|
| 3.18 | 4.59 | 4.16 | 4.12 | 0.40 |

Investment Options

Age-based/Enrollment Year investment options:

Three age-based options, the Moderate Managed Allocation Option, Conservative Managed Allocation Option and the Aggressive Managed Allocation Option, are offered, each containing 9 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:

Four static blend and five individual options are offered plus the Principal Plus Interest Option, and the Money Market Option.

Underlying investments:

TIAA-CREF institutional mutual funds and funds from seven outside mutual fund families, BlackRock, Harding Loevner, GMO, DFA, GE, MetWest, T Rowe Price, & Franklin Templeton. The Principal Plus Interest Option is invested in a funding agreement with TIAA-CREF Life Insurance Company that guarantees principal and a minimum annual rate of interest (actual rate is declared annually).

Taxes and other Benefits

Program match on contributions:

The CHET Baby Scholars program provides \$100 to families that open a 529 college savings account by their child's first birthday or within the first year after an adoption. Families that save an additional \$150 in the first four years will receive a state match of \$150, for a total of \$250 in state funds.

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 conforms with the federal definition of qualified education expenses, which 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 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.

Plan Portfolios

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

General

Program type:

Savings

How to enroll:

Enroll directly with the program.

Initial year of operation:

1997

State agency(ies):

Connecticut State Treasurer

Program manager:

TIAA-CREF Tuition Financing, Inc.

Program distributor:

TIAA-CREF Individual & Institutional Services, LLC

Contributions

Maximum contributions:

Accepts contributions until all account balances in Connecticut's 529 plan for the same beneficiary reach \$300,000.

Minimum contributions:

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

Fees & Expenses

Enrollment or application fee:

None.

Account maintenance fee:

None.

Program management fees:

0.12% manager fee and a 0.01% fee to the state. None for the Principal Plus Interest option; currently waived for the Money Market Option.

Expenses of the underlying investments:

Ranges from 0.08% to 0.30% for the age-based options, and from 0.08% to 1.01% for static options. None for the Principal Plus Interest option.

Total asset-based expense ratio:

0.18% - 1.14%; 0.15% for the Money Market option with waiver. None for Principal Plus Interest Option.

Contact

Website:

<http://www.aboutchet.com>

Telephone:

1-888-799-2438

Twitter

<https://twitter.com/chet529>