



New Mexico - Scholar's Edge

Data as of: 01/26/20

New Mexico's Scholar's Edge, an advisor-sold 529 savings program, managed by Ascensus College Savings, features enrollment-based, static, and individual fund portfolio options utilizing funds from Principal, BlackRock, Vanguard, JPMorgan, and New York Life.

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 |
|-------------|-------|----------|-------------|------------------|
| 1.56 | 3.77 | 3.81 | 4.44 | 0.63 |

Investment Options

Age-based/Enrollment Year investment options:

The Year of Enrollment Portfolios contain 11 portfolios of underlying mutual funds, ranging from 100% equity to 0% equity. Contributions are placed into the portfolio corresponding to the number of years to expected enrollment based on the age of the beneficiary or as selected by the account owner. 10 portfolios shift to a more conservative investment allocation over time, eventually transferring to the Scholar's Edge Today Portfolio.

Static investment options:

Select among 4 Target-Risk portfolios with varying risk tolerances, 15 individual-fund portfolios, and the Capital Preservation Portfolio.

Underlying investments:

Principal, BlackRock, Vanguard, JPMorgan, and New York Life

Taxes and other Benefits

Program match on contributions:

None.

State tax deduction or credit for contributions:

Contributions to a New Mexico 529 plan are fully deductible in computing New Mexico taxable income.

State tax recapture provisions:

The principal portion of rollovers and nonqualified withdrawals from this plan are included in New Mexico taxable income to the extent of prior New Mexico tax deductions.

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 New Mexico and non-New Mexico 529 plans are exempt.

State tax treatment of rollovers:

New Mexico follows federal tax-free treatment except that outbound rollovers are subject to the recapture of prior state tax deductions.

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 Portfolios

There is no investment data available for this plan. Please visit http://www.scholarsedge529.com/?utm_source=Visit_Link&utm_medium=Saving_For_College&utm_campaign=Saving_For_College for additional information.

General

Program type:

Savings

How to enroll:

Enroll through a financial advisor.

Initial year of operation:

2001, but changed substantially in 2019

State agency(ies):

Education Trust Board of New Mexico

Program manager:

Ascensus College Savings

Program distributor:

Ascensus College Savings

Contributions

Maximum contributions:

Accepts contributions until all account balances in New Mexico's 529 plans for the same beneficiary reach \$500,000.

Minimum contributions:

No minimum.,

Fees & Expenses

Enrollment or application fee:

None, but contributions may be subject to a sales charge depending on share class.

Account maintenance fee:

\$20 annually for accounts with less than \$25,000, waived if either the designated beneficiary or account owner is a New Mexico resident and for accounts with recurring contributions of at least \$25 per month or \$75 per quarter.

Program management fees:

0.20% management fee (includes 0.08% fee to the state), plus distribution/servicing fees of 0.25% for Class A, 1.00% for Class C, none for Class R.

Expenses of the underlying investments:

Ranges from 0.28% to 0.40% (portfolio weighted average) in the age-based and static portfolios, from 0.03% to 1.07% in the individual-fund portfolios.

Total asset-based expense ratio:

Class A: 0.53% - 1.60%
Class C: 1.28% - 2.35%
Class R: 0.28% - 0.35%

Contact

Website:

http://www.scholarsedge529.com/?utm_source=Visit_Link&utm_medium=Saving_For_College&utm_campaign=Saving_For_College

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