



Center for Social Development

GEORGE WARREN BROWN SCHOOL OF SOCIAL WORK

State 529 Matching Grant Program Summary

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State 529 Savings Plan Matching Grant Programs

State	Funding	Match Criteria	Eligibility	Application Method	Matching Account	Distribution and Forfeiture Provisions
Arkansas	State appropriation of \$250,000 over two years authorized for this pilot program.	1:1 match up to \$500/year with AGI between \$30,000 and \$60,000; 2:1 match up to \$500/year with AGI of \$30,000 or less.	GIFT Plan account holders must be Arkansas residents whose account beneficiaries are also residents. Adjusted gross income must be \$60,000 or less.	Application must be made by April 30.	Not available.	Not available.
Colorado	Subject to annual appropriation; first come, first served.	1:1 match up to \$500/year for a maximum of 5 years.	Income of up to 200% of poverty; dependent beneficiary must not be older than 12 at the time of initial application.	Application can be made between February 1 and May 31 to be pre-approved to receive a Matching Grant for contributions to be made in current calendar year. Must submit a completed application along with a copy of federal income tax return from previous calendar year.	If application approved, CollegeInvest will send written confirmation that any contributions made during current calendar year are eligible for a Matching Grant. In February of the following year, CollegeInvest will open a separate Matching Grant Account, one per beneficiary. Matches go to separate account, owned by CollegeInvest and set up in the beneficiary's name.	CollegeInvest makes payment directly to a higher education institution based on beneficiary request. Matching funds will be revoked if beneficiary fails to make a qualified withdrawal by approximately age 22.

State 529 Savings Plan Matching Grant Programs, cont.

State	Funding	Match Criteria	Eligibility	Application Method	Matching Account	Distribution and Forfeiture Provisions
Kansas ¹	Pilot program.	1:1 for contributions of \$101-600/year for a maximum of 3 years.	Must contribute at least \$100 per year with household income below 200% of the federal poverty level.	Application must be made, with signed Disclosure Authorization Form for tax record and Kansas Income Tax Return for each household member with income for match eligibility. Previous participants receive priority over new applicants if application received by June 1 each year. First come first served basis; applicants are encouraged to apply as soon as they have completed their income tax return.	Matches go to separate account. set up in the beneficiary's name and using same investment portfolio.	Program can reimburse participants for qualified expenses already paid or issue check payable to institution. Nonqualified withdrawals from match account are not allowed.
Louisiana	Subject to sufficient appropriations from the state legislature. The match rate may be reduced, if needed.	2%-14% match.	All state residents are eligible for at least a 2% match, but the match rate is progressive, based on adjusted gross income. For example, residents with AGI up to \$29,999 are eligible for a 14% match.	The state reviews tax return filed for the prior year or the accountholder can submit their return. The accountholder can provide notarized proof of income and proof that tax filing was not required. Otherwise, accountholder will receive the minimum 2% match rate.	Earning enhancement is credited directly to the accountholder.	If savings used for a non-designated purpose, the state will recover the earning enhancements and the interest accrued from those matching funds.

¹ This is a three-year pilot program running from 2006-2008. The program is limited to 200 participants from each of Kansas' four Congressional districts in 2007, and 300 participants from each of Kansas' four Congressional districts in 2008.

State 529 Savings Plan Matching Grant Programs, cont.

State	Funding	Match Criteria	Eligibility	Application Method	Matching Account	Distribution and Forfeiture Provisions
Maine	User fees charged to national accountholders. Terms and availability can change at any time.	With \$50 deposit or First Step grant, \$200 Initial Match (provides \$250 required to open account). With min. \$50 deposit in calendar year, Annual Match of 50% of contributions, up to \$200/year.	Family adjusted gross income of \$75,000 or less (adjusted annually through the Consumer Price Index).	Application for initial \$200 match can be made up to one full year after account opened. A \$50 First Step grant is available for each Maine child born on or after January 1, 2006, for whom FAME receives certification and complete account opening materials before the child's first birthday. Application for annual match can be made through 12/31 for the previous calendar year. Participants self-certify income; the Finance Authority of Maine (FAME) audits income eligibility through Maine Revenue Services.	Matches go to participant account, although owned and invested by FAME, and set up in the beneficiary's name.	After waiting for at least twelve months from when the beneficiary receives an initial match, they may apply for matching funds to be used to pay for qualified expenses. There is no minimum waiting period to apply for use of annual matching funds.
Michigan	Annual state appropriation from tobacco funds settlement.	1:3 one-time match, up to \$200, within first year of account enrollment.	Beneficiary must be no older than 6 years of age, and household adjusted gross income of \$80,000 or less.	Application must be made by September 30 th for the previous year contribution. Documentation of income must be made available upon request, but not required with application.	Matches go to separate account, owned by the Michigan Education Savings Program. Matching funds invested in an institutional bond fund.	Payment sent directly to beneficiary's higher education institution. Any match funds remaining will be returned to the state when beneficiary turns 30 or if the beneficiary receives a full scholarship and the funds are no longer needed.

State 529 Savings Plan Matching Grant Programs, cont.

State	Funding	Match Criteria	Eligibility	Application Method	Matching Account	Distribution and Forfeiture Provisions
Minnesota	Subject to an annual appropriation. If total grants exceed the amount appropriated, awards will be proportionately reduced.	5% or 15% of contributions matched up to \$400/year.	Must contribute at least \$200 during year and have a federal adjusted gross income less than \$80,000. If income is \$50,000 or less, then 15% match. If income is \$50,001 to \$80,000, 5% match	Application must be made by May 1st for the previous calendar year contributions. Must submit application and federal income tax return or similar evidence of income.	Matches go to separate account, owned by the state of Minnesota and linked to the beneficiary's account. Matching funds invested in a guaranteed return fund with a minimum return of 3% per annum.	Account must be open for at least three years before a beneficiary can receive a distribution of matching grant funds.
North Dakota	User fees	1:1 one-time match up to \$300, for contributions made within 12 months of opening College SAVE account.	Adjusted gross income in year prior to opening new College SAVE account must be \$40,000 or less if married filing jointly or \$20,000 or less if single. Match available for College SAVE accounts opened anytime on or after July 1, 2007.	Application must be within 13 months of opening College SAVE account. Must submit application with North Dakota state, and if applicable, federal income tax returns for year prior to opening College SAVE account, or similar evidence of income. If married filing separately, copy of spouse's federal income tax return must be submitted.	Matches go to separate account, owned by Bank of North Dakota, and set up in the beneficiary's name.	Payment sent directly to beneficiary's higher education institution.

State 529 Savings Plan Matching Grant Programs, cont.

State	Funding	Match Criteria	Eligibility	Application Method	Matching Account	Distribution and Forfeiture Provisions
Rhode Island	User fees charged to national accountholders . If adequate funds are not available, the maximum amount to be matched would be reduced proportionally preserving the match ratios.	1:1 match up to \$500/year if adjusted gross income is up to \$15,000 above the state median; 2:1 match up to \$1,000/year if adjusted gross income is less than or equal to the state median for a maximum of 5 consecutive years.	Account must be open for beneficiary at or before the age of 10. Families must be at or below the state median income to qualify, with progressive match structure. Applicant must be able to declare beneficiary as dependent for tax purposes.	Application can be made January 2-April 30 th for the previous tax year. Must submit application with federal income tax return or similar evidence of income.	Matches go to separate account, owned by CollegeBound and set up in the beneficiary's name. Matching grant funds invested in a principal protection income portfolio.	CollegeBound makes payment directly to a higher education institution based on request from beneficiary. Match must be utilized within a reasonable time after the beneficiary is eligible for withdrawal or the funds will be revoked.
Texas	State appropriation.	Not available.	Annual household income below the state median family income, adjusted for household size.	Not available.	Not available.	Not available.
Utah ²	State appropriation for matches to families participating in this pilot program.	1:1 match up to \$300/year for a maximum of 4 years or until high school graduation, whichever comes first.	Income up to 200% of poverty or TANF eligible, must commit to saving at least \$25/month in an Option 1 UESP account (money market fund).	Must submit copies of past two income tax returns, proof of TANF participation (if applicable), or equivalent documentation.	Matches go to separate account owned by the Utah Educational Savings Plans and set up in the beneficiary's name.	Beneficiary gains access to matching funds once enrolled in college. Funds paid directly to the higher education institution.

Source: Using individual state information and the online resource SavingforCollege.com, this table is an update of Appendix C from: *Inclusion in College Savings Plans: Participation and Saving in Maine's Matching Grant Program*. Clancy, M., Han, C.-K., Mason, L.R. & Sherraden, M. (April 2006) <http://gwbweb.wustl.edu/csd/Publications/2006/RP06-03.pdf>, and based on an earlier table prepared by Leslie Parrish, New America Foundation, and Margaret Clancy, Center for Social Development.

² This is a pilot demonstration project for approximately 50 families, ending in June 2009. After the pilot, an assessment will be conducted to determine whether to continue or expand the program.