

mefa[®]

Your UPLAN

Questions Answered

Your Presenter Today

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Jonathan has worked at MEFA for 20 years helping families in Massachusetts prepare for college.

As Associate Director of College Planning and Content Creation, he provides guidance on planning, saving, and paying for college to students and their families and serves as host of the MEFA Podcast.



About MEFA

State authority created in 1982 by the Commonwealth of Massachusetts to help families plan, save, and pay for college

U.Plan Prepaid Tuition Program

How the U.Plan works:

- **Allows you to prepay up to 100% of tuition & mandatory fees at participating schools**
 - **Large network of MA public and private colleges and universities**
- **Purchase Tuition Certificates to lock in today's tuition and mandatory fee rates**
- **U.Plan Tuition Certificates:**
 - **Represent interest in Commonwealth General Obligation Bonds**
 - **Are backed by the full faith and credit of the Commonwealth of MA**
 - **Are not subject to market fluctuation**
 - **Require \$300 minimum to get started**
- **Contributions accepted year round**
- **Bonds are purchased and percentages locked in July**
- **To learn more about the U.Plan visit mefa.org/save/prepaid-tuition-plan**

What If?

What happens if my child doesn't go to a participating college?

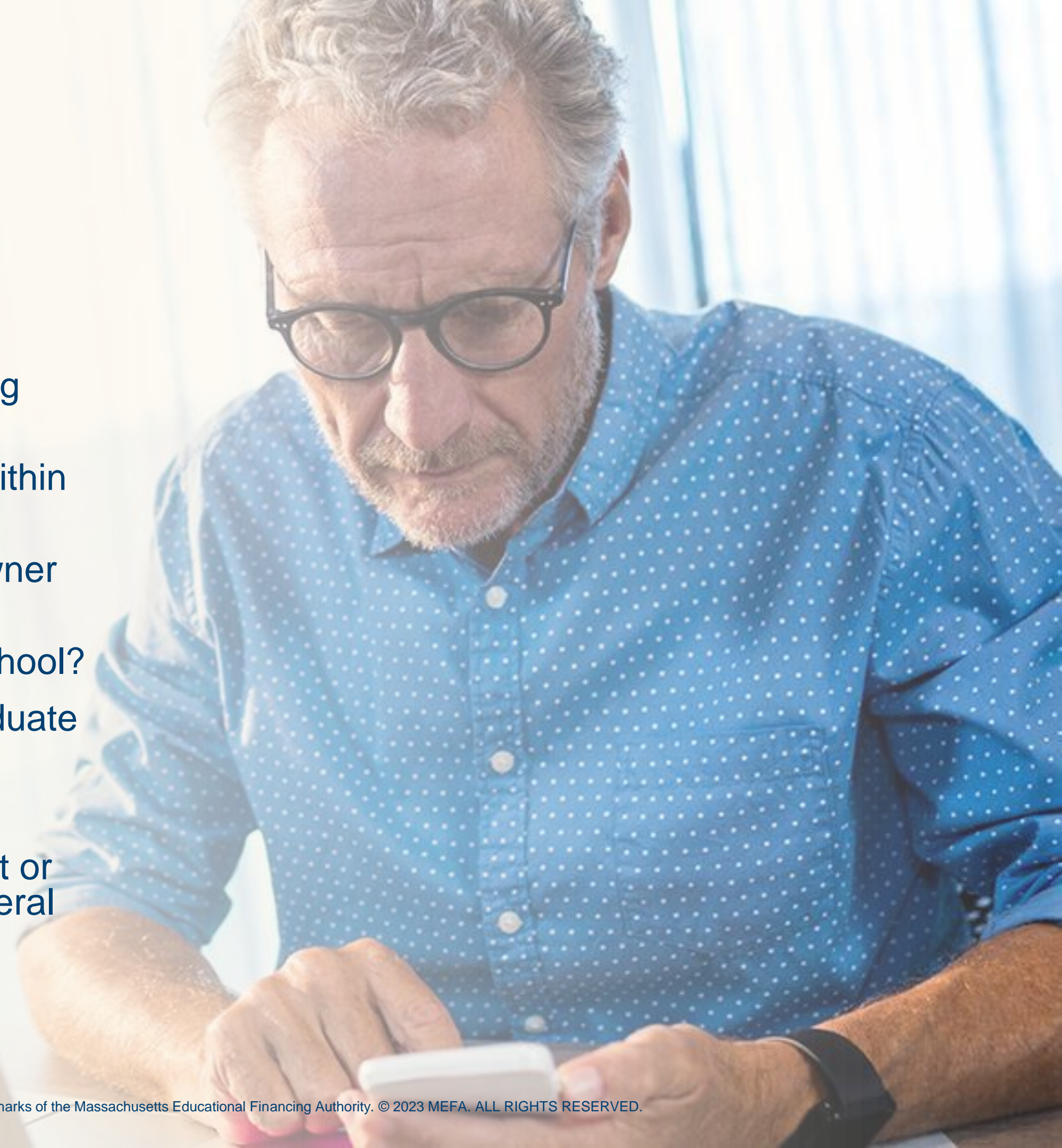
- Funds can be transferred to other beneficiaries within the family
- Certificates can be cashed out upon maturity. Owner will receive their investment plus CPI interest

What happens if my beneficiary goes to graduate school?

- U.Plan funds cannot be sent to a college for Graduate Education

Are there tax consequences for cashing out?

- Distributions from the U.Plan, whether cashed out or sent to a college, carry no Massachusetts or Federal tax consequences



Locking In Tuition & Mandatory Fees

Funds deposited by July 15, 2023

Lock in 2023-24 academic year tuition & mandatory fees



Funds deposited Aug 1, 2023–July 15, 2024:

Lock in 2024-25 academic year tuition & mandatory fees



Locking In a Percentage

- As tuition costs vary, your lock-in percentages vary
- Contributions year after year add up to a greater percentage of lock-in
- U.Plan locks in only tuition and mandatory fee expenses

Institution	Tuition & Fees	Initial Investment	Percentage of Tuition & Fees Locked In
College A	\$5,000	\$1,000	20%
College B	\$10,000	\$1,000	10%
College C	\$25,000	\$1,000	4%

Participating U.Plan Colleges Universities

American International College

Amherst College

Anna Maria College

Assumption College

Babson College

Bay Path College

Benjamin Franklin Institute of Technology

Bentley College

Berklee College of Music

Berkshire Community College

Boston College

Boston University

Bridgewater State University

Bristol Community College

Bunker Hill Community College

Cape Cod Community College

Clark University

College of the Holy Cross

Curry College

Dean College

Eastern Nazarene College

Elms College

Emerson College

Emmanuel College

Endicott College

Fisher College

Fitchburg State University

Framingham State University

Gordon College

Greenfield Community College

Hampshire College

Hellenic College

Holyoke Community College

Laboure College

Lasell College

Lesley University

Massachusetts Bay Community College

Massachusetts College of Art and Design

Massachusetts College of Liberal Arts

Massachusetts Maritime Academy

Massasoit Community College

Merrimack College

Middlesex Community College

Montserrat College of Art

Mount Holyoke College

Mount Wachusett Community College

New England Conservatory of Music

Nichols College

North Shore Community College

Northeastern University

Northern Essex Community College

Quinsigamond Community College

Regis College

Roxbury Community College

Salem State University

Simmons University

Smith College

Springfield College

Springfield Technical Community College

Stonehill College

Suffolk University

University of Massachusetts Amherst

University of Massachusetts Boston

University of Massachusetts Dartmouth

University of Massachusetts Lowell

Wellesley College

Wentworth Institute of Technology

Western New England University

Westfield State University

Wheaton College

Worcester Polytechnic Institute

Worcester State University

A young man with short, wavy brown hair is smiling broadly at the camera. He is wearing a white t-shirt with red sleeves and has a grey backpack strap over his shoulder. The background is a blurred outdoor setting, likely a college campus, with other people and trees visible. In the top left corner, there is a dark blue banner with white text, and a green triangle is partially visible behind it.

The U.Plan and Financial Aid

- When applying for college financial aid, the U.Plan is considered a parent asset
- The financial aid formula assumes families will use up to just 5.6% of parent assets to pay for college costs
- Bottom line: The U.Plan, as with other college savings plans, does not significantly impact a student's eligibility for financial aid



U. Plan Benefits

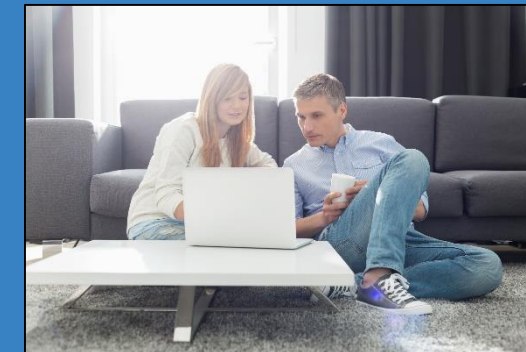
- Money grows federal and MA state tax free
- Savers can claim a MA state income tax deduction of up to \$1,000 (singles)/\$2,000 (married filing jointly)
- Any unused money is returned without penalty and with interest accrued at CPI
- No need to select a college until it's time to attend

Participating School Changes

If a college or university joins the U.Plan, it must honor Tuition Certificates purchased since the program started in 1995



If a college or university drops out of the U.Plan, it must honor all Tuition Certificates purchased prior to the year it withdrew from the program



A photograph of a man and a young child sitting at a table, looking at a laptop screen. The man is on the right, smiling, and the child is on the left, also smiling. The background is a soft, out-of-focus indoor setting.

U.Fund 529 College Investing Plan

How the U.Fund works:

- **Save for qualified higher education expenses**
 - Tuition, fees, room, board, books, supplies, and equipment
- **Savings can be used at any accredited college or university nationwide**
- **Combined account maximum: \$500,000**
- **No annual account maintenance fee or minimum investment**
- **Multiple investment options**
 - Active management, indexed portfolio, individual allocation portfolios, FDIC insured
- **Enroll online at fidelity.com/ufund or by calling (800) 544-2776**



What if?

What happens if my child doesn't go to college?

- Funds can be transferred to other beneficiaries within the family
- Funds don't need to be used for college per se. Can be used for vocational training programs at eligible institutions

What happens if my beneficiary goes to graduate school?

- 529 Funds can be used for Graduate Education

What if I take out money for ineligible expenses

- 10% penalty on the earnings (exceptions in cases of death, disability of the student and scholarship)
- Earnings will be taxed at owner's rate of income in any event

Massachusetts Tax Benefits

- **Contributions to the U.Plan and U.Fund are MA state tax deductible**
 - **Up to \$2,000 for married filers**
 - **Up to \$1,000 for individual filers**
- **Limits are per filer, not per account**

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Thank You

QUESTIONS?

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