



COLLEGE SAVINGS

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2015 Spring/Summer Newsletter

New Legislation Looks to Make College Savings Plans Even More Flexible

On February 25, the U.S. House of Representatives passed H.R. 529, a bill that—if passed by the Senate and signed by the President—would enhance 529 plans, allowing them to be more flexible for families who are saving for college.

The biggest improvement under the new legislation is a provision that would make computers, as well as related hardware, software, and Internet access, eligible education expenses for a family's 529 funds. 529 advocacy groups see this as a critical step forward in helping students keep pace in today's tech-driven world.

"Innovation and creative solutions to our world's most perplexing health, social, and infrastructure challenges have and will come at the hands of students and professionals using technology," wrote Betty Lochner, chair of the College Savings Plan Network (CSPN), in a February 4 CSPN blog post. "It is wonderful to see that this simple yet powerful fact is being recognized by our elected leaders, and the pricey technology investments made by students will hopefully be a viable tax-deductible expense when using their 529 plans to cover these necessary educational costs."

The new legislation will also allow families to redeposit their 529 distributions within 60 days of withdrawal, penalty free, if students experience serious illness or sudden life circumstances that require them to take leave from their studies. (At present, tuition refunds in such instances are considered non-qualified expenses and therefore subject to standard taxes and a 10 percent penalty.)

"With the College Savings Plans of Maryland, families have flexible options for protecting their savings when a child receives a scholarship or grant, delays school, or chooses not to use the Plans for other reasons" says Joan Marshall, executive director of the College Savings Plans of Maryland. "We are excited about the proposed enhancements, as they will more closely mirror real-life scenarios for our account holders."

Want to learn more about Maryland's two flexible and affordable 529 Plans? Watch a free on-demand webinar now at CollegeSavingsMD.org/Webinar.



A Map to 529-Eligible Schools

What higher education institution are you saving for? If you're like most families, it's too soon to tell. So it's good to know you can use your Maryland 529 Plans at virtually any higher education institution—anywhere in the country. Any school that participates in U.S. Department of Education student financial aid programs is considered eligible. (Keep in mind the student may need to be enrolled at least half-time to receive benefits.)

Qualified schools include:

- Most public and private colleges nationwide
- American colleges with international campuses
- Community colleges
- Vocational schools
- Graduate schools (masters and doctoral programs)

To see the thousands of schools that could qualify for educational expenses paid through a Maryland 529 account, visit fafsa.ed.gov and click "School Code Search" now.



“With the College Savings Plans of Maryland, families have flexible options for protecting their savings when a child receives a scholarship or grant, delays school, or chooses not to use the Plans for other reasons...”

Joan Marshall, executive director of the College Savings Plans of Maryland



How Are Families Really Saving for College?

We asked seven College Savings Plans of Maryland families to sit down and share how they make saving for college work for them. “I factor it into my monthly expenses, just like paying the water bill,” said George Raley, a Rising Sun resident who is currently saving for his two grandchildren. See more of what George—and other families—had to say in the College Savings Plans of Maryland Account Holder Testimonial Video.

 [View it now at YouTube.com/CollegeSavingsPlans.](https://www.youtube.com/CollegeSavingsPlans)



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Please carefully read the Enrollment Kit, available online, which describes the investment objectives, risks, expenses, and other important information that you should consider before you invest in the College Savings Plans of Maryland. Also, if you or your beneficiary live outside of Maryland, you should consider before investing whether your state or your beneficiary's state offers state tax or other benefits for investing in its 529 plan.

*College Savings Plans of Maryland, Administrator and Issuer.
T. Rowe Price Associates, Inc., Program Manager and Investment Adviser,
Maryland College Investment Plan.*

T. Rowe Price Investment Services, Inc., Distributor/Underwriter, Maryland College Investment Plan

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A Unique Gift Idea for Graduation

Show the graduates in your life how much you support them by helping them save for the future with a Maryland 529 Plan. From preschool graduation to high school commencement, it's the perfect gift for graduates of all ages; you can even help older grads save for graduate school! The College Savings Plans of Maryland offers two easy ways to give:

- Open your own Maryland 529 account to enjoy the Federal and Maryland State tax benefits.
- Contribute to an existing account with as little as \$25 by completing a Gift Contribution Form. (Psst...parents: you can fill out these forms ahead of time to send friends and family a hint.)

Get FREE graduation-themed Gift Contribution Forms now—and learn more about making a Maryland 529 gift—at CollegeSavingsMD.org/Gifting.



Save the Date: 529 Day!

Get a guided tour of the Plans at our **FREE** webinar. If you miss the live webinar, our recorded version is available.

Friday, 5/29 | Noon – 1 p.m.

Register now at
collegesavingsmd.org/webinar.