

HOW TO MAXIMIZE YOUR Maryland 529 Tax Benefits

Maryland529

Did you know that Maryland taxpayers may be eligible for a State income deduction if they open a new OR contribute to an existing Maryland 529 Account?

STEP 1: SAVE

The example on the right is based on Parent 1 opening an MCIP and MPCT plan for a single Beneficiary and Parent 2 making an additional contribution to both plans.



Two Available Plans: Maryland College Investment Plan (MCIP) and Maryland Prepaid College Trust (MPCT)

Eligibility:	Plans	Parent 1 Account Holder	Parent 2 Account Contributor	Estimated Tax Saving
Each family member who opens a new Account or contributes to an existing Account may be eligible for income deductions.				
Contributions: Contribute to both plans to increase income deductions.	MCIP	\$2,500	\$2,500	\$190* x 2
	MPCT	\$2,500	\$2,500	\$190* x 2
Deductions: Deduct up to \$2,500 for each beneficiary in MCIP plan and/or each MPCT contract. Deductions apply to Maryland taxable income for the parent's contributions in that tax year.		\$5,000	\$5,000	\$760

*Note that this is a hypothetical scenario assuming a 7.6% State and local tax rate with no federal deduction. The amount of savings from your income deduction may vary. **Account Holders and contributors can each deduct contributions regardless of their marital status or tax filing status (individual or joint). A contributor need not be a parent or family member of the beneficiary to be eligible for the income deduction.

STEP 2: REINVEST



\$10,500

estimated additional money saved for college if you reinvest \$760 in tax savings each year for the next 10 years.***

***Approximate amount, assuming an investment in a tax-deferred vehicle with a 6% hypothetical rate of return compounded annually. This is for illustrative purposes and does not predict or project the return of any specific investment option. Investment returns in a college savings plan will vary and may be higher or lower than in this example.

STEP 3: REPEAT



- Open MCIP and/or MPCT Accounts for each child in your family.
- Open an MCIP Account for yourself if you plan to pursue your own degree or graduate degree.

Visit Maryland529.com for complete details.

Please read the entire Enrollment Kit carefully before deciding to enroll. The Maryland Senator Edward J. Kasemeyer Prepaid College Trust and Maryland Senator Edward J. Kasemeyer College Investment Plan Disclosure Statements provide investment objectives, risks, expenses and costs, fees, and other information you should consider carefully before investing. If you or your beneficiary live outside of Maryland, you should compare Maryland 529 to any college savings program offered by your home state or your beneficiary's home state, which may offer state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan. Tax benefits may be conditioned on meeting certain requirements, such as residency purpose for or timing of distributions, or other factors, as applicable. T. Rowe Price Investment Services, Inc., Distributor/Underwriter of the Maryland Senator Edward J. Kasemeyer College Investment Plan.