

MPACT


PREPAY YOUR CHILD'S TUITION




Tuition costs are on the rise, but with a **Mississippi Prepaid Affordable College Tuition (MPACT) Plan**, families can **lock in tuition rates** and **prepay their child's tuition and mandatory fees**. Is this the right approach for your family? We try to answer some of the most frequently asked questions to help you decide!




What do I get when I enroll in an MPACT Plan?

 What you're actually purchasing is college credit hours for up to four years of college. Pre-purchase as many or as few hours as you'd like; apply it when taking college courses in high school; or while a college student!


When can I enroll in MPACT?

 The MPACT enrollment period is open from September 1 to May 31. Enrollment for newborns, however, is open throughout the year. Visit treasury.ms.gov/MPACT to enroll.


How much does an MPACT plan cost?

 Pricing is impacted by a few factors, including how old your child is, whether you're able to apply a down payment, and how many credit hours you're interested in prepaying. View pricing at treasury.ms.gov/MPACT.

Is MPACT guaranteed?

 Yes! It's the only prepaid tuition plan available that is guaranteed by the State of Mississippi. This doesn't mean we guarantee admission to college, however. Students must still meet the requirements for college admission.

Is MPACT flexible?

 Yes! You can use MPACT for community college, university/senior college, or a combination, from one semester up to four years. It can be used for an in-state institution or an out-of-state institution (\$25 administrative fee is charged the first academic term). You can even transfer from one college to another.



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Q What are the tax benefits?

A The amount you contribute to a 529 Plan (MACS or MPACT) may be deducted annually from your Mississippi taxable income, up to \$10,000 per individual and \$20,000 for married couples filing jointly.

Q How long do I have to use my MPACT benefits?

A You are allowed up to 8 years from the student's projected college enrollment date to use the benefits.

Q What happens if my child decides to go out of state?

A The credits can still be used! MPACT will pay an out-of-state institution Mississippi's weighed average tuition (WAT). If the out-of-state institution's hourly rate is more than Mississippi's, you will be responsible for the cost difference.

Q What happens if I purchased a university contract, but my child goes to a community college?

A MPACT will pay the full community college tuition. The plan will deplete at a slower pace to account for the difference in price. MPACT benefits can also be held for future use.

Q What happens if I purchased a community college contract, but my child goes to a university?

A MPACT will convert the community college hours into university hours based on the then current relative costs and pay the tuition. This results in fewer hours on your contract but enables MPACT to pay your university tuition until benefits are exhausted.

Q How will having an MPACT contract affect the beneficiary's ability for financial aid?

A MPACT plans are treated as investments on the Free Application for Federal Student Aid (FAFSA). As such, they should be reported as parental investments. The FAFSA requires the "refund value" be used when reporting prepaid tuition plans, which is the amount the account owner would receive if the account were closed and a refund were issued. Parents should report the refund values of all prepaid tuition plans they own for all dependent children.



Q What if my child decides not to attend college or earns a scholarship?

- A • **If your beneficiary receives a full scholarship**, which covers tuition and mandatory fees, MPACT benefits can be held for future use or refunded to the purchaser. The amount of the refund is based on (1) the current cost of in-state tuition and fees at the Mississippi public institution your beneficiary is attending or (2) the weighted-average tuition and fees at Mississippi public institutions if this child is enrolled at a private or out-of-state institution.
- **If your beneficiary receives a partial scholarship**, MPACT benefits can be used to cover the tuition and fees not paid by the scholarship. The unused MPACT benefits can be held for future use.
- **If you decide you will not need your MPACT tuition benefits**, they can be held for graduate school. However, MPACT will only pay the undergraduate rate.
- **If your beneficiary decides not to attend college**, the credits can be rolled into a MACS plan or a ROTH IRA (restrictions apply).¹

**ENROLL
NOW!**

ENROLL ONLINE at treasury.ms.gov/CollegeSavings.

If you have additional questions, please give us a call 1 (601) 359-5255 or 1 (800) 987-4450 or email collegesavings@treasury.ms.gov

¹ Certain restrictions apply. 529 rollovers are included in the annual IRA contribution limits. There is a lifetime aggregate rollover limit of \$35,000 per beneficiary, as of July 2024. Rollovers cannot include contributions made in the last five years.