

# MACS

## SAVE FOR MOST EDUCATION EXPENSES



### 8 WAYS TO USE YOUR MACS ACCOUNT

1. Tuition at a private school, public university, or community college
2. Private K-12 school tuition
3. Trade schools or apprenticeships
4. Classroom supplies (great for teachers!)
5. Certain room and board expenses (call for details)
6. Books
7. School laptops
8. Continued education or retraining



### IS MACS RIGHT FOR YOUR FAMILY?

A Mississippi Affordable College Savings (MACS) account can open a world of possibilities for your family. Here's why MACS might be right for you:

- It requires just \$25 to get started.
- Parents, grandparents, and even family friends can open or contribute to an account.
- There are great tax advantages!

### A FLEXIBLE OPTION

- ✓ **Your Choice of Schools.** Your child can attend a private or public college or university, trade school, or graduate school — in Mississippi or out of state! MACS funds may also be used for private K-12 tuition expenses!
- ✓ **Pays for More than Tuition.** Use MACS funds to cover books, equipment and supplies, and certain room and board expenses in addition to tuition and fees.
- ✓ **Lets You Transfer Your Funds.** If your child decides not to attend college, you can transfer the funds to eligible family members of the previous beneficiary, including siblings, spouses, and cousins.
- ✓ **Doesn't Limit Annual Contributions.** There is no annual limit on the amount you can contribute, although there is an overall maximum account balance limit of \$400,000.
- ✓ **Allows Anyone to Open or Contribute.** Parents, grandparents, relatives, and friends can pitch in.

### A TAX-WISE DECISION

- ✓ **Mississippi Income Tax Deduction.** The amount you contribute to MACS may be deducted annually from your Mississippi taxable income, up to \$10,000 per individual and \$20,000 for married couples filing jointly.
- ✓ **Tax-Deferred Earnings.** Until withdrawn.
- ✓ **Tax-Free Qualified Withdrawals.** The earnings portion of withdrawals used for qualified higher education expenses will be free of both federal and Mississippi income taxes.

# MACS FREQUENTLY ASKED QUESTIONS

**Q Can more than one person contribute to the same MACS account?**

**A** Anyone can contribute as long as the total contributions do not exceed \$400,000.

**Q Can I change the beneficiary?**

**A** Yes! You can transfer all or a portion of your investment to a different beneficiary at any time. The new beneficiary must be an eligible member of the previous beneficiary's family and have their own account.

**Q How do I withdraw money from the account to pay for college?**

**A** You can go to your account online to request a withdrawal. Funds can be sent directly to your bank account or mailed to you. Funds can also be sent to eligible educational institutions.

**Q Will having a MACS account hurt my child or beneficiary's chances of receiving financial aid?**

**A** If the account holder is the child's parent or a dependent child or beneficiary, the MACS account assets are treated as the parent's for financial aid purposes. But financial aid policies vary across post-secondary institutions, so check with the institution directly for more information on how 529 plan assets can affect financial aid eligibility.

**Q What if the beneficiary receives a full or partial scholarship?**

**A** You can withdraw up to the scholarship amount free of the 10 percent additional federal tax. You will owe federal and Mississippi income taxes on the earnings portion of the withdrawal, however. You could also transfer the extra money to an eligible beneficiary.

**Q If I leave Mississippi, what will happen to my account?**

**A** You can still keep your money invested in your MACS account, and you can continue to contribute to it.

**Q Can I rollover funds from another 529 account into the MACS account?**

**A** Yes! You can rollover funds for the same beneficiary once per 12-month period without incurring federal or state income tax. The transfer of funds from another state's 529 plan is not eligible for the Mississippi income tax deduction. Consult your tax advisor or both college savings plan providers before requesting a rollover.



**Q What if the beneficiary decides not to attend college?**

**A** *You have four choices:*

1. Keep the funds in the account in case they change their mind.
2. Transfer the money to an eligible family member.
3. Make a non-qualified withdrawal, which would be subject to any applicable state income tax, federal income tax, and an additional 10 percent federal tax.
4. Roll the funds over to a ROTH IRA.<sup>1</sup>



## ENROLL NOW!

**ENROLL ONLINE** at [treasury.ms.gov/CollegeSavings](https://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](mailto:collegesavings@treasury.ms.gov)

<sup>1</sup> 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.