

Is MACS The Way to Go for your family?

A Mississippi Affordable College Savings (MACS) account can open a world of possibilities for your family. Why might this plan be the way to go for you?

- It requires just \$25 to get started.
- Parents, grandparents, and even family friends can open or contribute to an account.
- There are flexible spending options, meaning you can use it for tuition, fees, supplies, certain room and board costs, and books - as well as elementary and secondary tuition expenses.
- You shouldn't miss these tax advantages.

THE FLEXIBLE WAY TO GO

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! They may also be used for elementary and secondary 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 \$235,000 (accounted for by adding the MACS balance to the total purchase amount of any MPACT contract for the same beneficiary).

Allows Anyone to Open or Contribute. Parents, grandparents, relatives, and friends at any income level can pitch in.

A TAX-WISE WAY TO GO

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. Contributions to MACS have the opportunity to grow free from federal and Mississippi income tax until withdrawn.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.

Estate Tax Benefits. MACS can allow you to accelerate tax-free giving from your estate, while also allowing you to maintain control of your money.

Tax-Free Growth Potential

Taxable Account	\$54,437
529 Account	\$65,520

Frequently Asked Questions

Can more than one person contribute to the same MACS account? Anyone can contribute as long as the total contributions do not exceed \$235,000, including the account balance plus the total purchase amount of any MPACT contract for the same beneficiary.

Can I change the beneficiary? 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.

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

What if the beneficiary decides not to attend college? You have three choices:

- Keep the funds in the account in case they change their mind.
- Transfer the money to an eligible family member. Consult your tax advisor about whether this may create a taxable gift.
- 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. There are exceptions in the event of a beneficiary's death or disability, scholarship receipt, or attendance at a military academy.

Will having a MACS account hurt my child or beneficiary's chances of receiving financial aid? If the account holder is the child's parent or a dependent child or beneficiary, the MACS



The Smart Way to Go for Grandparents.

These contributions may qualify for an annual federal gift tax exclusion of \$14,000 per donor (\$28,000 for married contributors) per beneficiary. Consult your tax advisor for details.

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.

What if the beneficiary receives a full or partial scholarship? 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.

If I leave Mississippi, what will happen to my account? You can still keep your money invested in your MACS account, and you can continue to contribute to it.

Can I transfer funds from another 529 account into the MACS account? Yes! You can transfer funds for the same beneficiary twice 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.

READY TO GO?

Enroll online at treasury.ms.gov/EnrollNow or request a paper application by calling 1-800-987-4450.

