

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 fees. Is it the way to go for you? We try to answer some of the most frequently asked questions to help you decide!

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.

How much does an MPACT plan cost?

Pricing is impacted by a few factors, including how old your child is, whether or not you're able to apply a down payment, and how many years of college you're interested in prepaying.

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 year up to five 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. MPACT benefits may be able to be transferred to other children in the immediate family who do not have a MPACT contract, including first cousins.

What are the tax benefits?

The payor may deduct from Mississippi taxable income the amount of any payments made under a MPACT prepaid tuition contract in the tax year. Earnings from MPACT are exempt from federal and state income tax when paid to a school by MPACT. Consult a tax professional for detailed information.

How long do I have to use my MPACT benefits?

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

What happens if I purchased a university contract but my child goes to a community college or vice versa?

MPACT will pay the full community college tuition and the purchaser will be entitled to a refund of



Enroll Today!

Enrollment is available September 1 to May 31 and year-round for newborns. To learn more and enroll, visit Treasury.MS.Gov/EnrollNow.

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the difference between the weighted-average university tuition in that year and what MPACT actually pays the community college. MPACT benefits can also be held for future use.

In cases where the student has a community college contract, but attends a four-year university, 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.

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

- **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.

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

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.



READY TO GO?

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

