



## Keystone Scholars – Newsletter Content

***New program of the Pennsylvania Treasury Department to help families save for future higher education.***

Beginning in 2019, the Pennsylvania Treasury Department is investing \$100 for every baby born or adopted to be used for the baby's future higher education expenses through a new program called **Keystone Scholars**.

To encourage families to plan early for their child's future education, **Keystone Scholars** will provide \$100 to all babies born or adopted in Pennsylvania starting in 2019, making **Keystone Scholars** the largest program of its type in the nation.

The \$100 will be invested by the PA Treasury Department and will grow through the years right alongside your child. The **Keystone Scholars** account can be used for qualified expenses when your child pursues education after high school. These expenses include tuition, fees, books, and more at vocational and technical schools, community colleges, two-year colleges, and four-year colleges.

To maximize education savings, parents can open an individual PA 529 College and Career Savings Program account and link it to their Keystone Scholars account online to see all of their education savings in one place.

When it comes to paying for education, Pennsylvania families know that every dollar counts. Keystone Scholars is meant to help families jumpstart their education savings as soon as possible. If a family contributes as little as just \$25 per month to a PA 529 account starting when their child is born, by age 18 they could have more than \$10,000!<sup>1</sup>

**Keystone Scholars** is available to all newborns starting in 2019 and also available for babies born in 2018 to families living in Delaware, Elk, Indiana, Luzerne, Mifflin, and Westmoreland counties as part of a demonstration project.

For babies born in 2019, parents are not required to take action to get the \$100 Keystone Scholars investment, but prior to using funds from a **Keystone Scholars** account, families must create a PA 529 account in their child's name.

For babies born in 2018 to families living in one of the demonstration project counties, parents must claim the funds by the child's first birthday, but are not required to open a PA 529 account.

According to the Center on Education and the Workforce at Georgetown University, more than 95 percent of jobs created since the Great Recession have gone to those with education beyond a high school education.<sup>1</sup>

This increased need for additional education and the rising cost of tuition has put a strain on many Pennsylvania families.

In Pennsylvania, student loan debt is the highest in the nation, with the average college graduate owing more than \$36,000.<sup>2</sup>

Source: <sup>2</sup>Georgetown University Center on Education and the Workforce, *America's Divided Recovery: College Haves and Have-Nots*, 2016. | <sup>3</sup>lendedu.com

New and expecting parents will be able to access their account online within 3-4 months after the child's birth using information mailed to them from the PA Treasury Department. They can also access it using information found on the child's PA state birth certificate.

To learn more about the **Keystone Scholars** and the PA 529 College and Career Savings Program, visit [PA529.com/Keystone](http://PA529.com/Keystone) or call 800-440-4000.

<sup>1</sup>Source: Bankrate.com | Assumes \$25 initial deposit with monthly deposits of \$25 for 18 years and an interest rate of 6.5% compounded annually.

*Funds invested in your Keystone Scholars Account remain under the sole custody of the Pennsylvania Treasury Department (Treasury) until they are used for the purposes of paying for qualified higher education expenses at an institution of higher education. A list of qualified higher education expenses may be found at [www.pa529.com](http://www.pa529.com). These funds will be invested in the Pennsylvania 529 Guaranteed Savings Plan (GSP). No additional funds may be contributed to your Keystone Scholars Account. To learn more or to open a PA 529 GSP or PA 529 Investment Plan account, please visit us at [www.pa529.com](http://www.pa529.com).*

*Eligibility for Keystone Scholars is based on the child's date of birth:*

- *For children born to or adopted by a Pennsylvania family on or after January 1, 2019, the child must be a Pennsylvania resident at birth and at the time the Keystone Scholars funds are used. The child must also be the Beneficiary of a PA 529 College and Career Savings Program Account other than the Keystone Scholars Account at the time Keystone Scholars funds are used. If not used by the beneficiary's 29th birthday, the funds will be returned to Treasury.*
- *For children born to or adopted by a Pennsylvania family between January 1, 2018, and December 31, 2018, the child must be a resident of Delaware, Elk, Indiana, Luzerne, Mifflin, or Westmoreland county at birth and be a Pennsylvania resident at the time the Keystone Scholars funds are used. If not claimed by the beneficiary's first birthday or used by the beneficiary's 29th birthday, the funds will be returned to Treasury.*

*The Pennsylvania 529 College and Career Savings Program sponsors two plans – the PA 529 Guaranteed Savings Plan (GSP) and the PA 529 Investment Plan (IP). The guarantee of the PA 529 Guaranteed Savings Plan is an obligation of the GSP Fund, not the Commonwealth of Pennsylvania or any state agency. Before investing in either plan, please carefully read that plan's disclosure statement (available at [www.PA529.com](http://www.PA529.com) or by calling 1-800-440-4000) to learn more about that plan, including investment objectives, risks, fees, and tax implications. Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.*