A child's future begins with a great education

NextGen 529®

What are your dreams for your family?

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Opening doors, unlocking potential

Parents know that every child has a distinct personality. Each young person will have unique strengths, interests and goals in life. Education helps unlock the potential that lies just below the surface. Beyond just earning power, education gives young people learning power – the power to tackle new challenges and opportunities in life with confidence.

How will your child reshape the world? Through a career in the arts? Becoming an innovator in technology? Starting a nonprofit? Wherever a young person's talents and interests may lie, an education provides a strong foundation for success. As an investment in a young person's future, an education can help ensure the future success of your family for generations to come.

When planning for education expenses, it can be helpful to consider:

• The lifelong benefits of an education and how much it will cost

• How a 529 plan can help make affording education a reality for your child

• Whether NextGen 529 may be right for your family

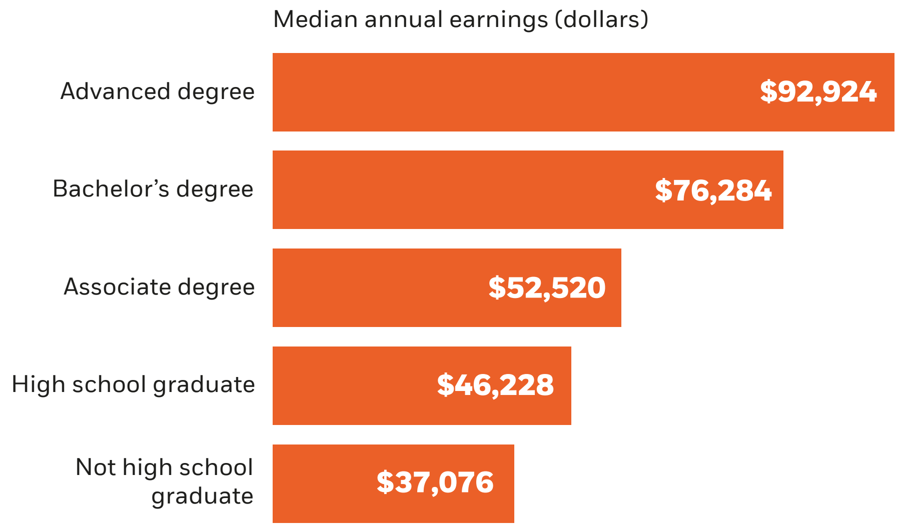
NextGen 529® is a Section 529 plan offered to clients regardless of state residency, sponsored by the state of Maine and administered by the Finance Authority of Maine.

Learning more, earning more

As the chart to the right demonstrates, education generally equates to higher earnings potential. According to a 2023 survey conducted by the U.S. Bureau of Labor Statistics, a person with a bachelor's degree earned on average 65% more than a typical high school graduate. Someone with an advanced degree made 22% more than someone with a bachelor's degree.[1]

A college degree leads to higher income

Usual annual earnings of wage and salary workers, second quarter 2023.

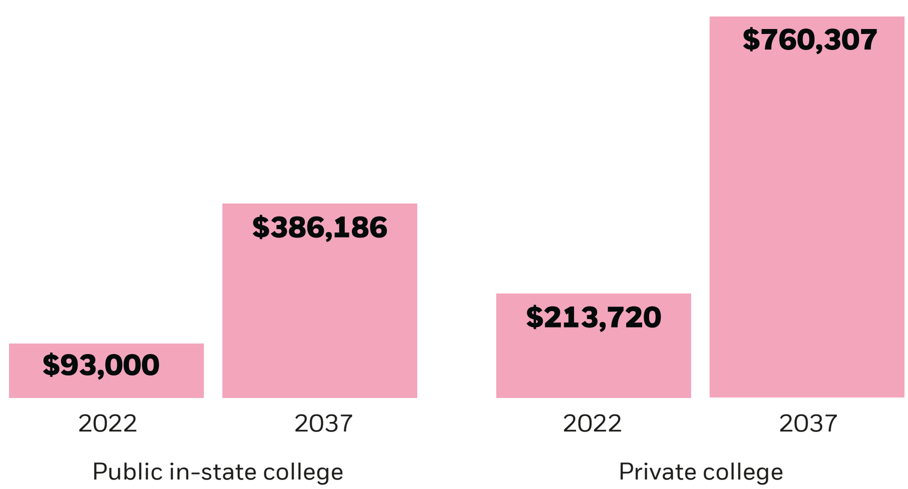


Source: Bureau of Labor Statistics, www.bls.gov. Table 5. Quartiles and selected deciles of usual weekly earnings of full-time wage and salary workers by selected characteristics, second quarter 2023 averages, not seasonally adjusted. Weekly amounts multiplied by 52 to determine annual earnings shown on chart.

At the same time, the cost of college is going up. Over the past two decades, the average annual increases in college costs have exceeded annual inflation rates (as measured by the Consumer Price Index) almost every year.

Four-year cost of college is going up

Projected four-year costs at a public in-state college and a private college today and in 15 years. Costs projected to escalate at 8% per year.[2]



Source: www.collegeboard.org, Trends in College Pricing and Student Aid 2022.

1 Bureau of Labor Statistics, www.bls.gov. Table 5: Quartiles and selected deciles of usual weekly earnings of full-time wage and salary workers by selected characteristics, second quarter 2023 averages, not seasonally adjusted.

2 Source: www.finaid.org/savings/tuition-inflation.phtml. As of November 2019.

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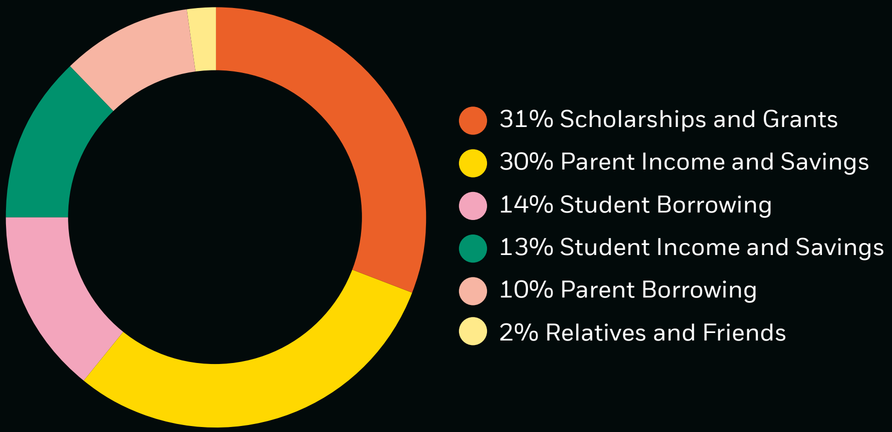
Developing a road map for higher education savings

Many families use a combination of sources to pay for higher education-related expenses, including scholarships, grants, personal loans and savings. After scholarships and grants, the second most popular source for funding higher education costs is parent income and savings.

Because parent savings plays such an important role, consider saving as much as you can now. Even if your children are older, there may still be opportunities for building your higher education savings.

Average percentage of total cost of attendance paid by source



Source: Ipsos Public Affairs/Sallie Mae's How America Pays for College 2019 study.

Begin your journey with a 529 plan

Section 529 plans are offered by individual states and offer families a flexible, tax-advantaged way to invest for education expenses. You can use funds from a 529 plan to pay for qualified higher education expenses.[3]

Who can open a 529 plan account?

Anyone age 18 or older with a valid Social Security Number or U.S. taxpayer identification number (and a valid physical address within the U.S. or Puerto Rico) can open a 529 plan account. So grandparents, parents, aunts, uncles and even family friends can establish accounts. There are no income limits.

How much can you contribute?

Many plans allow you to make contributions up to $300,000 per beneficiary. NextGen 529 allows you to make contributions up to $545,000 per beneficiary. However, you can only make annual contributions of up to $18,000 ($36,000 for a married couple electing to split gifts) a year without incurring a federal gift tax in 2024. Contributions are generally considered completed gifts and excluded from your estate for federal estate tax purposes, even though you (the account owner) retain control of the assets.

Under a five-year gifting provision, you may be eligible to make a special gift tax election and make 529 plan account contributions of $90,000 ($180,000 for a married couple electing to split gifts) for each beneficiary in one year, and elect to prorate it over five years, as long as no additional contributions or other gifts to the designated beneficiary are made during the five-year period.[4]

Are withdrawals tax-free?

Withdrawals, including any earnings generated, are federal (and possibly state and/or local) income tax-free as long as withdrawals are used for qualified higher education expenses as defined in the Internal Revenue Code.[5]

Qualified higher education expenses include tuition and fees, room and board, books, required supplies and equipment, computers or peripheral equipment, computer software or internet access and related services. Other acceptable expenses include payments for special needs beneficiaries incurred in connection with enrollment or attendance at any accredited school, including public or private universities, graduate schools, community colleges and accredited vocational and technical schools.[6]

For distributions taken after December 31, 2018, qualified higher education expenses include expenses required for the participation of a designated beneficiary in a registered and certified apprenticeship program and payment of student loans up to a lifetime maximum of $10,000 for a designated beneficiary or a sibling of the designated beneficiary (the lifetime maximum is applied separately for the sibling's loans versus the designated beneficiary's loans).[5]

You can take federal income tax-free distributions from a 529 plan account of up to $10,000 per year per beneficiary to help pay for tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school. State tax treatment may vary.

3 Expenses for room and board and computer equipment and technology are subject to certain eligibility requirements. Amounts paid as principal or interest on a qualified education loan. Amount that may be treated as qualified expense shall not exceed $10,000 as a lifetime cap per beneficiary. Expenses for books, supplies, and equipment required for a program registered with the U.S. Department of Labor. Considered a qualified expense for U.S. tax purposes. For state tax treatment, check your individual state guidelines. Not all states consider this a qualified expense. **4** Contributions during 2024 between $18,000 and $90,000 ($36,000 and $180,000 for married couples electing to split gifts) made in one year can be prorated over a five-year period without subjecting you to federal gift tax or reducing your federal unified estate and gift tax credit. If you contribute less than the $90,000 ($180,000 for married couples electing to split gifts) maximum, additional contributions can be made without you being subject to federal gift tax, up to a prorated level of $18,000 ($36,000 for married couples electing to split gifts) per year. Federal gift taxation may result if a contribution exceeds the available annual gift tax exclusion amount remaining for a given beneficiary in the year of contribution. For contributions between $18,000 and $90,000 ($36,000 and $180,000 for married couples electing to split gifts) made in one year, if the account owner dies before the end of the five-year period, a prorated portion of the contribution may be included in their estate for federal estate tax purposes. Please consult your tax and/or legal advisor for guidance. **5** Withdrawals from a 529 plan are tax-free when used for qualified higher education expenses, which include tuition, mandatory fees, books, supplies, and for certain computer technology and equipment, room, board and off-campus housing expenses (as long as the cost does not exceed the cost of on-campus housing). Beginning in 2018, 529 plans can potentially be used to pay up to $10,000 in tuition expenses at elementary or secondary public, private or parochial schools. Considered a qualified expense for U.S. tax purposes. For state tax treatment, check your individual state guidelines. Not all states consider this a qualified expense. Non-qualified withdrawals are subject to a 10% federal penalty as well as federal, state and local income tax. **6** Institutions must be eligible to participate in federal financial aid programs. Some foreign institutions are also eligible.

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Certain states may offer state tax or other state benefits such as financial aid, scholarship funds and protection from creditors for investing in their Section 529 plans. **Before investing, you should consider whether your or your beneficiary's home state offers a 529 plan that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's 529 plan.** Your tax professional and financial advisor can help you consider the tax implications of participating in your home state plan versus an out-of-state plan. Be sure you understand all of the tax aspects for your individual situation before choosing a plan.

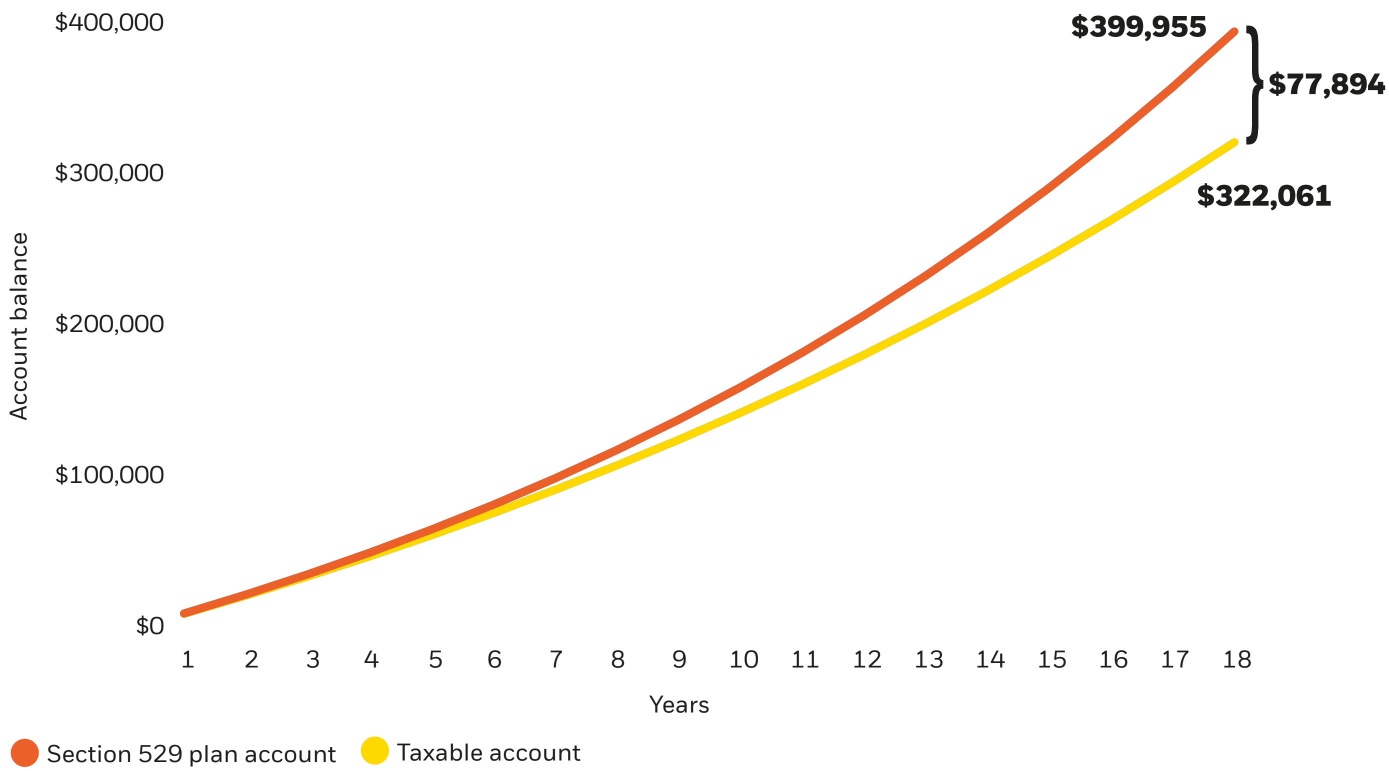
Tax-advantaged growth makes a big difference

Any earnings on investments have the potential to grow free from federal (and possibly state and/or local) income taxes, allowing your account assets to potentially grow and accumulate faster than in a similar taxable account.[5]

Over time, the value of an investment account that is tax-free generally will exceed the value of a similar, taxable investment account. See the chart below showing how tax-free growth can make a difference.

The flexibility to transfer funds to another family member[7]

You can name anyone as beneficiary of the account — your children, grandchildren, nieces, nephews, spouses — even non-relatives or yourself. And, if the original beneficiary doesn't use all of the funds for education, the funds can be transferred to a family member of the original beneficiary at any time without any income tax consequences.



For both accounts, the chart assumes a 7% rate of return compounded annually, and that $10,000 is invested on January 1st every year for 18 years. For the Section 529 plan account, earnings are not taxed. For the taxable account, earnings are taxed at 28%. The chart is illustrative only and does not reflect an actual investment in NextGen 529. Investments are subject to market and other investment risks. Returns are not guaranteed and may be less than or more than the amount invested. It does not take into account the fees or expenses associated with either the Section 529 plan or investing outside the Section 529 plan.

Source: BlackRock, 2021.

5 Withdrawals from a 529 plan are tax-free when used for qualified higher education expenses, which include tuition, mandatory fees, books, supplies, and for certain computer technology and equipment, room, board and off-campus housing expenses (as long as the cost does not exceed the cost of on-campus housing). Beginning in 2018, 529 plans can potentially be used to pay up to $10,000 in tuition expenses at elementary or secondary public, private or parochial schools. Considered a qualified expense for U.S. tax purposes. For state tax treatment, check your individual state guidelines. Not all states consider this a qualified expense. Non-qualified withdrawals are subject to a 10% federal penalty as well as federal, state and local income tax.
7 The participant/account owner can change the designated beneficiary to a member of the family of the designated beneficiary (as defined in the Internal Revenue Code) without adverse income tax consequences.

Experience convenience, flexibility and investment choice with NextGen 529

NextGen 529 is offered nationally.[8] NextGen 529 offers a broad menu of investment strategies[9] designed specifically with the needs of investing for education in mind. You'll also enjoy high contribution limits, convenient account access and a flexible approach to funding the account.

When you choose NextGen 529, your family will enjoy the benefits of a 529 plan, but also:

- **A high contribution limit:** The NextGen contribution limit is $545,000 per beneficiary.
- **Convenient investing:** You can conveniently make automated bank transfers or payroll deductions into a NextGen 529 account.[10]
- **Professional management:** Choose from a wide array of professionally managed investment options.

Investment options – Client Select Series Portfolios

40+ investment portfolio options

BlackRock

21 options

Actively managed portfolios
100% Equity
75% Equity
Year of Enrollment
Equity Dividend
Fixed Income
Global Allocation Advantage
Large Cap Core Advantage
Large Cap Growth

iShares exchange traded funds (ETFs) portfolios
Year of Enrollment
Core Conservative Allocation
Core Growth Allocation
Core Moderate Allocation
Core MSCI EAFE
Core MSCI EM
Diversified Equity
Diversified Fixed Income
ESG Aware MSCI EAFE
ESG Aware MSCI EM
ESG Aware U.S. Aggregate Bond
MSCI USA ESG Select
TIPS Bond

Franklin Templeton

8 options

Year of Enrollment
Balanced
ClearBridge Capital Appreciation
ClearBridge Small Cap Growth
Growth
Growth & Income
International Aggregate Bond ETF
Small Cap Value

MFS

7 options

Year of Enrollment
Conservative Mixed Asset
Equity
Fixed Income
Global Equity
Research International
Value

American Century

1 option

Inflation-Adjusted Bond

Lord Abbett

1 option

Total Return

NYLI

1 option

Large Cap Growth

Neuberger Berman

1 option

International Equity

Stable Principal Portfolios

2 options

Principal Plus
NextGen Savings

8 Please contact your own broker dealer to understand your individual options.
9 There can be no assurance that the strategy of any portfolio will be successful.
10 A program of regular investment cannot assure a profit or protect against loss in declining markets. A continuous or periodic investment plan involves investment in shares over time regardless of fluctuating price levels. You should consider your financial ability to continue purchasing shares during periods of low price levels.

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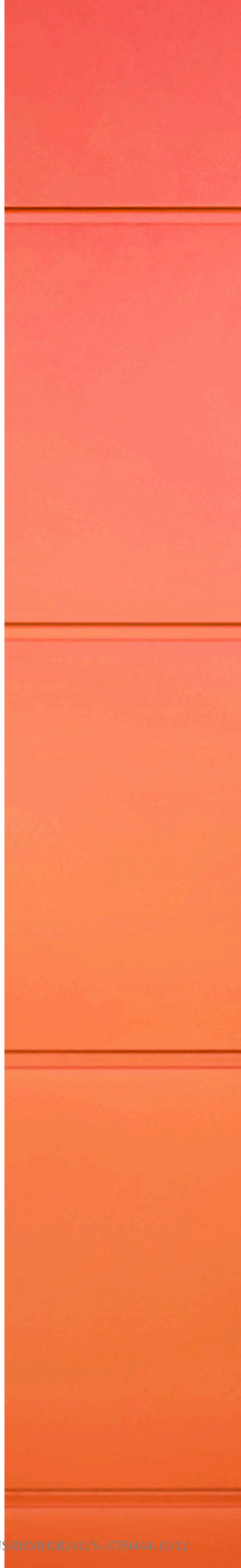
Choose from a wide array of investment strategies to meet your needs

Your financial professional can help you select an investment option that best meets the needs of the student, as well as the family's comfort level with investment risk. Investment options in NextGen 529 include:

Year of Enrollment portfolios	These portfolios offer an investment strategy based on intended college enrollment date. The target date in the portfolios name is the approximate date of when an investor plans to start withdrawing money. When the child is younger, the funds are invested more aggressively, and as the child gets closer to their college enrollment date, the strategy automatically adjusts to a more conservative allocation over time.
Diversified portfolios	These portfolios have specific investment objectives, such as growth or income. Unlikethe Year of Enrollment Portfolios, each Diversified Portfolio has an established allocation that does not automatically change over time. These portfolios allow you to build a strategy for your own personal investment needs.
Single Fund portfolios	These portfolios invest in one underlying investment, allowing you to customize your allocations based on the range of underlying investments. They may be appropriate if you prefer a hands-on approach and want to customize an asset allocation with the selected investment portfolios.
NextGen Savings Portfolio	This portfolio is comprised exclusively of an interest-bearing FDIC-insured bank account (the "Bank Deposit Account") at Bank of America, N.A. (the "Bank"), and is designed as an option for investors whose primary objective is protection of principal. The NextGen Savings Portfolio offers FDIC insurance up to $250,000[11] combined with the flexibility and benefits of a tax-advantaged Section 529 plan account. You may want to consider this portfolio if you are seeking preservation of assets and liquidity, or if you are nearing the time you will need to pay for education expenses.
Principal Plus Portfolio	This portfolio is currently invested in only a guaranteed interest account, although it also may invest in corporate fixed-income investments and/or similar instruments. The Principal Plus Portfolio may be an option to consider if you have a lower risk tolerance or a short time horizon before paying for education expenses.

Please remember there's always the potential of losing money when you invest in securities. Diversification and asset allocation do not ensure a profit or protect against loss in declining markets.

11 The portion of the underlying deposits in the Bank Deposit Account that is attributable to the Units held by a Participant in the NextGen Savings Portfolio is (a) eligible for FDIC insurance coverage of up to $250,000 per Participant (calculated on a basis which aggregates that portion of the underlying deposits attributable to the Units held by the Participant in the NextGen Savings Portfolio with all FDIC-insured assets held by the Participant at the Bank) and (b) for purposes of FDIC insurance coverage only, considered to be held in the same ownership capacity as a Participant's other single ownership accounts held at the Bank. However, Units of the NextGen Savings Portfolio are not insured or guaranteed by the FDIC or any other agency of state or federal government, FAME, the Bank or the Program Manager, nor does a Participant have a direct beneficial interest or the rights of an owner in the underlying deposits in the Bank Deposit Account. Participants are responsible for monitoring the aggregated value of the portion of the underlying deposits of the NextGen Savings Portfolio attributable to the Units of such Portfolios held by a Participant plus their other deposits held directly with the Bank, for purposes of the $250,000 FDIC insurance coverage limit. Deposits held in different ownership capacities, as provided in the FDIC rules, are insured separately. UGMA/UTMA Accounts are generally treated as assets of the Designated Beneficiary, and other types of trust Accounts may be treated as assets of the trustee, for purposes of the FDIC limit. Custodians of UGMA/UTMA Accounts and trustees of trust Accounts should consider how these assets will be treated for purposes of the FDIC limit. For more information, please visit www.fdic.gov.



Preparing for a lifetime of success

For your children, an education provides an opportunity to develop knowledge and skills that will last a lifetime. Whatever your dreams for your children may be, helping them fund education expenses will give them a stronger foundation for living life to the fullest. Turning those dreams into reality requires some advance planning, setting clear goals and understanding your priorities today.

NextGen 529 can play an important role in helping you and your family invest more for education. All family members can contribute toward your goal. Funds can be used for a broad range of higher education expenses. And your investment can be transferred to another family member for their education costs if the original student's plans change or there's still money left in the account. NextGen 529 can help your family become more prepared for the opportunities that lie ahead.

Call your financial professional to discuss your education funding goals and how much you should consider investing to help meet these expenses. Your financial professional can also help you use this information to decide whether NextGen 529 is the right education funding vehicle for you and your family.

To learn more visit BlackRock.com/529.

NextGen 529 is a Section 529 plan administered by the Finance Authority of Maine (FAME). You may obtain the NextGen 529 Program Description by requesting a copy from your financial professional, visiting NextGenforME.com or calling the program manager at 1-833-336-4529. The Program Description should be read carefully before investing.

The Program Description contains more complete information, including investment objectives, charges, expenses and risks of investing in NextGen 529, which you should carefully consider before investing. If you are not a Maine resident, you also should consider whether your or your designated 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 such state's 529 plan. NextGen 529 accounts are not bank deposits and are not insured by the Federal Deposit Insurance Corporation (FDIC). Returns on investments in NextGen 529 accounts are not guaranteed or insured by the State of Maine, FAME or any NextGen 529 service providers. NextGen 529 participants assume all investment risk of an investment in NextGen 529, including the potential loss of principal and liability for tax penalties that are assessable in connection with certain types of withdrawals of amounts invested in NextGen 529.

Vestwell State Savings, LLC ("Vestwell") is the program manager, The Bank of New York Mellon is the program custodian, BlackRock Advisors, LLC is the program investment manager, and BlackRock Investments, LLC is the distributor and underwriter.

NextGen 529

FAME
FINANCE AUTHORITY OF MAINE
Program Administrator

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