

Understanding the Michigan Education Savings Program (MESP)

Planning for a child's education can feel overwhelming—especially when the cost of college keeps climbing every year. In Michigan, the **Michigan Education Savings Program (MESP)** offers a powerful way to prepare for those expenses while enjoying valuable tax benefits along the way.

MESP is Michigan's official 529 college savings plan. Since it began in 2000, thousands of families have used it to set aside money for tuition, books, housing, and other education-related costs. Today, more than **322,000 accounts** hold over **\$8.4 billion** in savings—proof that families across Michigan and beyond see this program as a trusted tool for investing in the future.

At **Landis Wealth Management**, we know that families often have the same two questions when it comes to saving for education: *Where do I start?* and *Am I saving enough?* Our role is to make the process simple, clear, and personalized for your family's goals.

How MESP Works

MESP is what's known as a **529 savings plan**, named after the section of the IRS code that created it. Here are the basics:

- **Tax Benefits:** Money you contribute grows tax-deferred, and withdrawals are completely tax-free if used for education. Michigan residents can also deduct contributions on their state taxes (up to \$5,000 for individuals or \$10,000 for couples each year).
- **Flexible Use:** Funds can cover not just college, but also trade schools, certain K–12 tuition expenses, apprenticeships, and even up to \$10,000 of student loan repayment.
- **Who Can Open an Account:** Almost anyone—parents, grandparents, other relatives, or even family friends. You just need to be 18 or older with a Social Security Number or Taxpayer ID.
- **Who Benefits:** The account can be for your child, grandchild, or even yourself if you're planning to go back to school.

Unlike prepaid tuition programs, MESP is **investment-based**. That means the value of your account depends on how the investments perform, offering the chance for long-term growth.

Your Investment Options

MESP isn't one-size-fits-all. You can choose how the money is invested based on your comfort level and goals:

- **Age-Based Portfolios:** Designed to automatically adjust as your child gets closer to college—starting with growth-focused investments (like stocks) and shifting to more conservative ones (like bonds) later on.
- **Static Portfolios:** Fixed mixes of stocks and bonds that you can select and keep the same over time.
- **Single-Fund Options:** Focused on one type of investment (like just stocks or just bonds) for those who want more control.
- **Guaranteed Option:** A safer, lower-risk choice aimed at preserving what you've saved.

At **Landis Wealth Management**, we help families decide which mix is right for them, based on how much time they have before tuition bills start arriving and how comfortable they are with risk.

Why Families Choose MESP

- **Start Small:** There's no minimum contribution—you can begin with just a few dollars and grow from there.
 - **Others Can Contribute:** Grandparents and relatives can easily give gifts directly into your child's account, making birthdays and holidays more meaningful.
 - **Low Costs:** MESP is recognized nationally for its low fees, meaning more of your money goes toward growth instead of costs.
 - **Flexibility:** If your child doesn't use all the money, you can transfer it to another family member or even use it for yourself.
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How We Can Help

We understand that saving for education is just one part of your bigger financial picture. At **Landis Wealth Management**, we work side-by-side with families to:

- Create a **personalized savings strategy** that fits your budget and goals.
- Show you how much you may need to save, using easy-to-understand projections.
- Coordinate your MESP plan with other financial goals—like retirement savings, debt reduction, or estate planning.
- Take the guesswork out of choosing the right investment options within MESP.
- Help you maximize tax advantages, so your money works harder for you.

Education savings doesn't have to be complicated. With the right plan and guidance, it can become a steady, achievable part of your financial journey.

Final Thought

The cost of education will likely keep rising—but with tools like the Michigan Education Savings Program, you don't have to face it unprepared. Whether you're saving for your first child, your grandkids, or even your own continuing education, MESP provides flexibility, growth potential, and tax benefits that can make a big difference over time.

If you'd like to learn more about how MESP fits into your overall financial plan, our team at **Landis Wealth Management** is here to help. Together, we can build a strategy that gives you confidence—and gives your loved ones the gift of opportunity.