First Step Program by CollegeInvest
Frequently Asked Questions

What is First Step by CollegeInvest? – First Step by CollegeInvest is a Program that gives every child born or adopted in the State of Colorado **on or after January 1, 2020**, a FREE $100 contribution to their CollegeInvest 529 college savings account. The Colorado Legislature passed this law in May 2019 and the Program runs for 20 years. The Program is administered by CollegeInvest.

What is the goal? – First Step was created as a catalyst to help Colorado families save for their children's postsecondary education and develop aspirations for higher education. The Program hopes to:

1. Increase the percentage of families saving for their children's higher education in Colorado.

2. Boost postsecondary enrollment and graduation rates for Colorado students by fostering aspirations of higher education, especially among economically vulnerable and disadvantaged children. According to a [2017 report](#) by the Institute of Higher Education Policy and the Corporation for Enterprise Development, a child with even less than $500 in any type of college savings account before reaching college age is three times more likely to enroll in college than a child with none and four times more likely to earn a degree.

How will $100 make a difference? – Colorado families know that every dollar counts when it comes to paying for education. The $100 is meant to help new parents jumpstart their college savings as soon as possible. Opening a 529 college savings account for a child at birth allows more time for savings to accumulate, earnings to accrue and compound, and parents to create an ongoing savings plan to regularly add to the account. Research shows at-birth Child Savings Account Programs maximize the opportunity for positive impact on children's social-emotional health and development of college-bound identity.

What other help is available to help families reach their savings goal? – Everyone who claims a First Step award will also have a portion of their future contributions matched. The details of the match will be posted each year on our website. You will also receive information on Ugift.com, which is a convenient, free-to-use service for extended family members and friends who want to contribute to a student's CollegeInvest college savings account.

Who is eligible? – The one-time free $100 contribution is available for all children born or adopted in the State of Colorado **on or after January 1, 2020**. Children and their parent or legal guardian must be U.S citizens or resident aliens who have been assigned a Social Security Number (SSN) or Federal Tax Identification number (FTI). The parent or legal guardian must be the Account Owner of a CollegeInvest college savings account with the eligible child listed as the Beneficiary and apply **before the child's fifth birthday**.

What does it cost to participate? – Participation in the First Step Program is FREE! If you don't already have a CollegeInvest savings account, the parent or legal guardian will need to open up an account naming the child as the Beneficiary. If you need help choosing a plan, click here. Most accounts can be opened unfunded, but you may also choose to make an initial contribution, or set up automatic contributions from your checking or savings account. Contributions by Colorado taxpayers to a CollegeInvest savings account are eligible for a Colorado income tax deduction. You can even deposit your Colorado state income tax refund directly into your CollegeInvest account!

Who can apply? – Only the parent or legal guardian of the child may apply and the $100 can only be deposited in a CollegeInvest savings account owned by the parent or legal guardian with the eligible child named as the Beneficiary. There is a limit of only one First Step award per Beneficiary.

Who can contribute? Once a CollegeInvest savings account has been opened, anyone can contribute to the account. And Colorado residents making a contribution will receive the state tax deduction. Visit ugift.com to learn how to invite friends and family to help save for your child's education.

When can I apply? – **VERY IMPORTANT!** We receive birth and adoption information from the State of Colorado on a monthly basis. We add that into the online application system for verification purposes. The updated data is refreshed on the 15th of the month so there will be a slight delay before you apply. For example, if your child was born or adopted in the month of February, you must wait until March 15th or later to apply.

How do I apply? – You'll need **your child's official birth certificate or adoption documents**, issued by the State of Colorado, and **their CollegeInvest savings account number**. Go to collegeinvest.org/first-step to apply online. Once you're approved, you'll receive a welcome email and the contribution will be deposited to your child's account within 30 days.

Are adopted children eligible? – Yes, if the child was adopted on or after January 1, 2020, in the State of Colorado, and is under the age of five.

How is this Program funded? – The $100 deposits for the First Step Program are funded by CollegeInvest, without the use of any taxpayer dollars or admin fees.

Is there a Colorado income tax deduction? – While the $100 contribution to your CollegeInvest savings account cannot be claimed as a Colorado income tax deduction, any subsequent contributions you make to the account now or in the future may be deducted.

Is the contribution treated as income? – We treat the First Step contributions as a scholarship, so the recipients don't pay taxes on it.

Can an account be opened for an unborn child? – No. The designated Beneficiary must have a Social Security Number (SSN) or Federal Tax Identification number (FTI) which are only assigned at birth. However, you may open a CollegeInvest savings account, naming yourself as the designated Beneficiary, and then change the name of the Beneficiary when the child is born. With the account in place listing the child as the Beneficiary, the parent or legal guardian may apply for the First Step contribution.