

First Step Program by CollegenInvest

Frequently Asked Questions for Advisors

What is First Step by CollegenInvest?

First Step by CollegenInvest 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 CollegenInvest 529 college savings account. Everyone who claims a First Step award will also have a portion of their future contributions matched.

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 CollegenInvest college savings account with the eligible child listed as the Beneficiary and apply before the child's fifth birthday.

Who can apply?

Only the parent or legal guardian of the child may apply and the \$100 can only be deposited in a CollegenInvest 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.

How does a client enroll in First Step?

They will need the child's official birth certificate or adoption documents, issued by the State of Colorado, and their CollegenInvest savings account number. You can direct them to collegeninvest.org/first-step to apply online. It will take less than 5 minutes for the client to enroll if they have the Birth Certificate ID# (aka State File Number) and their CollegenInvest account number. Once they are approved, they will receive a welcome email and the contribution will be deposited to your child's account within 30 days.

Can a client enroll in First Step no matter which of the four savings plans they are using?

Yes, First Step is available to clients for all CollegenInvest savings plans as long as the child was born or adopted in Colorado on or after January 1, 2020.

What are the residency requirements for eligibility to First Step?

There are no residency requirements for the First Step match program. However, the child must have been born or adopted in Colorado on or after January 1, 2020. If the account owner (parent/guardian) moves out of state subsequent to enrollment in First Step, they are still eligible to participate in the matching program.

When does match eligibility start?

Match eligibility starts the same year as the enrollment into First Step, provided that the client contributes the maximum match allowed for that year. If the client does not contribute the maximum amount, then match eligibility will start the following calendar year from First Step application. The match is for five (5) consecutive years.

Are the match eligibility years consecutive or can a client skip a year?

The eligibility years are consecutive. If the client skips a year, they will miss the match for that year. The match eligibility is per year and if a client does not contribute the maximum amount in one year they cannot make up the difference in the following year.

What contributions qualify for First Step matching?

The First Step program is designed to encourage parents/guardians to start saving on a regular basis. Eligible contributions are those made by the parent/guardian during the contribution period. Upromise, Ugift, employer, promotions, and other non-account owner contributions do not qualify. Contributions by grandparents or other family/friends will not qualify for First Step match.

When will matching funds be awarded?

The contribution period is for a calendar year from January 1 through December 31. The matching funds will be awarded the following year by April 1. Awards will be deposited into the Account Owner's CollegenInvest account. The initial First Step award of \$100 will be deposited within 30 days of the First Step application.

How are the matching funds invested for the client?

The matching funds will be deposited into the client's personal 529 account and will be allocated to the existing investments that the client has selected.

Are there any income thresholds with the First Step match program?

No, there are no income thresholds to be eligible for the First Step match program.

But wait, I heard one of CollegenInvest's programs does have an income threshold?

For children born before January 1, 2020 who are not eligible for First Step, CollegenInvest offers a separate Matching Grant Program. This program has different eligibility rules, including an income threshold and different application period. More details can be found at collegeninvest.org/matching-grant-program.

Can a client be eligible for both the legacy Matching Grant Program and First Step match in the same year?

No, clients are eligible for only one match program per year.

How is this program funded?

Per statute, the First Step Program funding was transferred from the Colorado CollegeInvest Scholarship Program (CCSP) created in Section 23-3.206.9. This was done **at no cost to Colorado taxpayers or CollegeInvest Account Owners.** The CCSP fund is a legacy Colorado Obligation Bond Authority account held in the State Treasury.