



# How to Prepare: Using Your Alfond Grant and NextGen 529<sup>®</sup> Account

# Agenda

- Overview - Alford Grant and NextGen 529®
- Using the Alford Grant and NextGen 529 Funds
- FAFSA Reporting
- How to Get Ready
- Next Steps
- Questions?



# The \$500 Alfond Grant

myAlfondgrant

- The Grant is made possible by the Alfond Scholarship Foundation (ASF) as a gift to the state of Maine from the late philanthropist, Harold Alfond.
- If your student was born in 2008, they may have been awarded the \$500 Alfond Grant for future higher education expenses.\*



*\* The Alfond Grant is not automatic in all circumstances and is also available in limited other circumstances. The use of the Alfond Grant is also subject to certain restrictions – see [Alfond Grant Guidelines](#) at [NextGenforME.com](#).*

# Alfond Grant Eligibility



- In 2008 the \$500 Alfond Grant was launched as a pilot program and was only available to babies born at MaineGeneral Hospital who had a NextGen 529 account opened for their benefit before their first birthday.
- Between 2009-2012 the \$500 Alfond Grant was made available to all babies born Maine residents who had a NextGen 529 account opened for their benefit before their first birthday.
- All babies born a Maine resident since 2013 automatically receive the grant.

*The Alfond Grant is not automatic in all circumstances and is also available in limited other circumstances. The use of the Alfond Grant is also subject to certain restrictions – see [Alfond Grant Guidelines](#). The Alfond Grant may lose value.*



# What is NextGen 529?



NextGen 529 is Maine's education savings plan that many Maine families use for higher education.

*Investing is an important decision. The investments in your account may vary with market conditions and could lose value. Carefully read the Program Description in its entirety for more information and consider all investment objectives, risks, charges, and expenses before investing. For a copy of the Program Description, visit [NextGenforMe.com](http://NextGenforMe.com) or call 1-833-336-4529.*

*Investments in NextGen 529 are not guaranteed or insured by the State of Maine, the Finance Authority of Maine (FAME), NextGen 529 service providers, any other state or federal agency, or any other party. Non-qualified withdrawals are subject to federal taxes and penalties and Maine state income tax. NextGen 529 does not provide legal, investment, financial aid, tax or other advice, and the information provided does not contain advice and cannot be construed as such or relied upon for those purposes. You should consult your own advisors.*

*If you or your beneficiary are not Maine residents, your home state or that of your beneficiary may offer a 529 plan that provides state tax or other benefits, such as financial aid, scholarship funds, and protection from creditors, not available to you by investing in NextGen 529. You should consider such benefits, if any, before investing in NextGen 529.*

# What is NextGen 529? *continued...*



Earnings can grow tax-free from federal and Maine state income tax. Withdrawals are tax-free when withdrawn to pay for qualified higher education expenses.\*

*\*Qualified expenses are defined in Section 529 of the Internal Revenue Code. Earnings withdrawn for nonqualified expenses are subject to federal income tax, a 10% federal penalty, and state and local income tax rules, which may vary.*

*NextGen 529 is a Section 529 plan administered by FAME. Vestwell State Savings, LLC is the program manager, The Bank of New York Mellon is the program custodian, BlackRock Advisors, LLC is the program investment manager. BlackRock Investments, LLC, Member FINRA, is the program distributor and underwriter for the Client Select Series only. Northern Lights Distributors, LLC Member FINRA, is the program distributor and underwriter for the Client Connect and Client Direct Series. BlackRock Advisors, LLC is an affiliate of BlackRock Investments, LLC; the other service providers to NextGen 529 are not affiliated with each other.*

# What is the difference between the Alfond Grant and NextGen 529?



- The \$500 Alfond Grant is a grant, like a scholarship.
- If your student was born in 2008 and has an Alfond Grant, that means you have a NextGen 529 account. You can contribute your own money and receive Maine Matching Grants\* from FAME.
- Once your NextGen 529 account was opened, the Alfond Grant was linked to your account.

\*Maine Matching Grants are linked to eligible Maine accounts. Upon withdrawal, grants are paid only to institutions of higher education. See [Terms and Conditions of Maine Grant Programs](#) for other conditions and restrictions that apply. Grants may lose value.

# Grants for Maine Residents



## \$100 Initial Matching Grant

Open your account, add \$25, and get the Initial Matching Grant.



## \$100 Automated Funding Grant

Setup and make six consecutive automatic contributions from your payroll or bank account.



## \$100 Financial Wellness Activity Grant

Complete three online courses through FAME's free online financial education platform powered by Enrich.



## 30% NextStep Matching Grant

Make contributions and get a 30% match up to \$300 per year.

Grants for Maine Residents are linked to eligible Maine accounts. An Alford Grant recipient is eligible to receive the \$100 Initial Matching Grant if the minimum required initial contribution is made before the beneficiary's first birthday. Upon withdrawal, grants are paid only to institutions of higher education. See [Terms and Conditions of Maine Grant Programs](#) for other conditions and restrictions that apply. Grants may lose value.

# Using 529 Funds



529 funds can be used at any schools that participate in federal student aid programs or at recognized postsecondary credential programs such as:

- Trade and Career School
- Private and Public Colleges/Universities
- Online Courses
- Registered and Certified Apprenticeships
- Recognized Postsecondary Credential Programs



# Using the Alfond Grant



The Alfond Grant can be used to pay for qualified higher education expenses<sup>1</sup> at eligible higher education institutions or at recognized postsecondary credential programs.

- Tuition and Fees
- Books, Supplies, and Equipment<sup>2</sup>
- Room and Board<sup>3</sup>

<sup>1</sup> To be eligible for favorable tax treatment afforded to any earnings portion of withdrawals from Section 529 accounts, such withdrawals must be used for “qualified higher education expenses,” as defined in the Internal Revenue Code. Any earnings withdrawn that are not used for such expenses are subject to federal income tax and may be subject to a 10% additional federal tax as well as state and local income taxes. Upon withdrawal, the Alfond Grant will be paid only to institutions of higher education, registered and certified apprenticeships, and other recognized postsecondary credential programs.

<sup>2</sup> When required by the educational program.

<sup>3</sup> If enrolled at least half-time at an eligible higher education institution. Any portion of the Alfond Grant used as payment for room and board costs may be subject to federal and/or state income tax.

# Using the Alfond Grant *continued...*

- Be sure to use your Alfond Grant first.
  - ✓ The Alfond Grant must be used by the student's 28<sup>th</sup> birthday.
  - ✓ The Alfond Grant can only be used for the original recipient, not a sibling or other family member.



# Using Your NextGen 529 Funds



- Contributions and earnings in your NextGen 529 account can be used for all Alford Grant approved expenses, plus the following qualified higher education expenses:
  - ✓ Some K-12 Expenses<sup>1</sup>
  - ✓ Education Loans<sup>2</sup>
- If your student doesn't pursue education after high school, you have some choices:
  - ✓ Transfer the savings to another eligible family member<sup>3</sup>
  - ✓ Add unused funds to a Roth IRA for the benefit of the student<sup>2</sup>
  - ✓ Withdraw the money and use it however you like – you will need to pay taxes on any earning plus a 10% penalty on those earnings.

<sup>1</sup> While Maine considers K-12 expenses a qualified expense for state tax purposes, other states may treat withdrawals from a 529 for K-12 expenses differently. Please consult your tax advisor for specific advice about such withdrawals.

<sup>2</sup> Some limitations apply.

<sup>3</sup> Some restrictions apply. Generally, you are permitted to change the beneficiary to another qualified member of the family, as defined under the Internal Revenue Code, without triggering income tax and 10% additional federal tax. Not applicable for accounts opened under a Uniform Gifts/Transfers to Minors Act registration. Consult a tax professional with questions before you make any withdrawal.

# Using Grants for Maine Residents



- Like the Alford Grant, Maine Matching Grants are designed so that the grant funds (including any earnings) will be treated as a scholarship as defined by the IRS.
- To date, Maine Matching Grants can only be paid to eligible institutions of higher education.<sup>1</sup>
- Maine Matching Grants can be used to pay for certain qualified higher education expenses:
  - ✓ Tuition and Fees
  - ✓ Books and Supplies<sup>2</sup>
  - ✓ Room and Board<sup>3</sup>
- All matching grant funds, including any earnings, should be used before other non-grant funds.

<sup>1</sup> Grant funds can only be paid directly to an eligible institution of higher education, such as trade or career schools, two-year colleges (often community colleges), four-year colleges and universities (public and private), and some online schools, for current postsecondary expenses.

<sup>2</sup> When required by the educational program.

<sup>3</sup> If enrolled at least half-time at an eligible higher education institution.

# Summary of Allowable Uses for Alford Grant, NextGen 529 Funds, and Maine Matching Grants



Use of Funds	NextGen 529 Funds	Alford Grant	Maine Matching Grants
Tuition and fees	✓ Yes	✓ Yes	✓ Yes
Books and Supplies	✓ Yes	✓ Yes	✓ Yes
Room and Board	✓ Yes	✓ Yes	✓ Yes
Eligible Apprenticeships	✓ Yes	✓ Yes	✗ No
Postsecondary Credentials	✓ Yes	✓ Yes	✗ No
Student Loan Repayment	✓ Yes	✗ No	✗ No
K-12 Expenses	✓ Yes	✗ No	✗ No

# Reporting Your NextGen 529 Funds on the FAFSA



- If you are required to report assets on the FAFSA, only the portion of the NextGen 529 account that comes from contributions and earnings is reported in the asset section on the FAFSA.
- The Alford Grant and/or Maine Matching Grants are not required to be reported as assets on the FAFSA.
- Depending on your use of these funds, Maine Matching Grants and your Alford Grant may need to be disclosed as taxable scholarships in the income section of future FAFSAs you file.

# Reporting Your Grants to the Financial Aid Office



Colleges and universities are required to take into consideration estimated financial assistance from all sources when calculating a student's eligibility for federal student aid. Therefore, it is likely that the financial aid office will ask you about, and you should disclose, outside grants/scholarships, including your Alfond Grant and Maine Matching Grants.

							Value	Day's Value Change	Unrealized Gain/Loss	
							\$46,859.41	\$0.00 0.00%	+\$2,192.72	▲ +4.91%
Select view		Standard	Customize view		View Tax Lot Details					
Symbol ▲	Description	Quantity	Price	\$ Chg	Day's Price % Chg	Value	Day's Value Change \$	Unrealized Gain/Loss \$ Chg	% Chg	
AZJUJ	ALFOND GRANT 2029 ENROLL	108.3860	\$14.10	\$0.00	0.00%	\$1,528.24	\$0.00	+\$114.89	+8.13%	
AZJWD	MATCHING GRANT 0-15 YEAR	288.1220	\$12.66	\$0.00	0.00%	\$3,647.63	\$0.00	+\$620.43	+20.50%	
NGPDT	NEXTGEN SAVINGS PORT DIR	3,608.9650	\$11.55	\$0.00	0.00%	\$41,683.54	\$0.00	+\$1,457.40	+3.62%	
<b>Balances</b> ?										
Cash balance						\$0.00				
Pending activity						\$0.00				
<b>Total</b>						<b>\$46,859.41</b>	<b>\$0.00</b>	<b>+\$2,192.72</b>	<b>+4.91%</b>	

# How to Prepare



- 1. Log in to your account dashboard.**  
Update the contact information for the account owner and student to ensure you receive important updates.
- 2. Review your total account value.**  
See the total value of your NextGen 529 account, including the Alfond Grant.
- 3. Talk about the value with your student.**  
Reviewing their account funds can create powerful discussions about their path to education after high school and a career.

# How Do I Access My Account?

How you access your accounts depends on the type of account:

- **Direct Account:** Go to [merrilledge.com](https://merrilledge.com) or call Merrill at 1-877-463-9843
- **Connect Account:** Go to [connect.vestwell.com](https://connect.vestwell.com) or call 1-833-33-NG529 (1-833-336-4529)
- **Select Account:** Contact your financial advisor.

**Not sure what kind of account you have?**

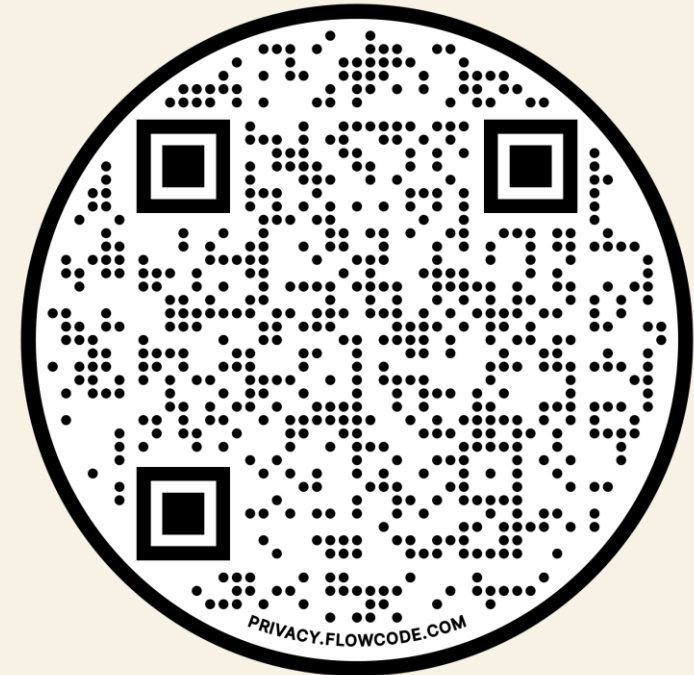
Call FAME at 207-623-3263 or 800-228-3734; TTY: 207-626-2717

# FAME's Free Help



Would you like to learn more about your NextGen 529 account or have other college savings related questions?

Schedule a free one-on-one appointment with a FAME Education Affordability and Financial Wellness Counselor at [go.oncehub.com/FAMENextGen](https://go.oncehub.com/FAMENextGen) or scan the QR code.



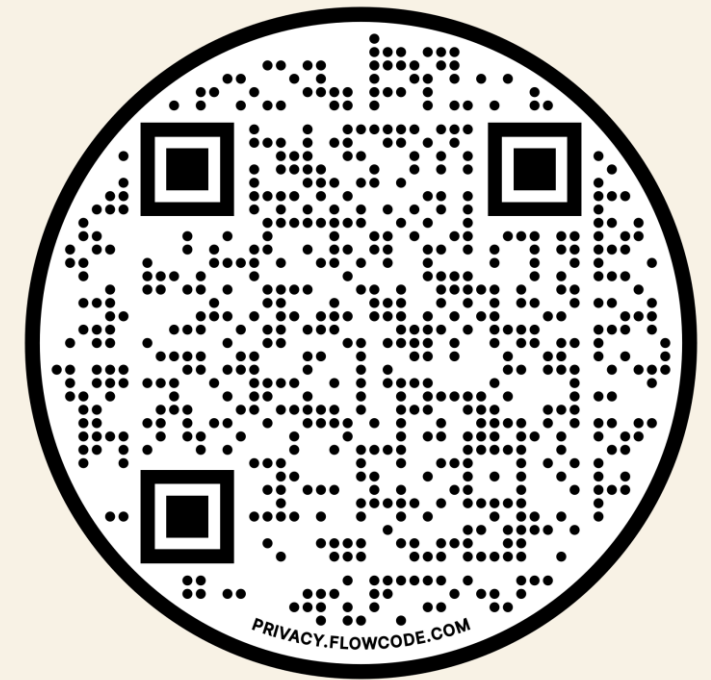
# Next Webinar: How to Request Your Funds



When: Tuesday, June 30, 2026 | 6:00 p.m. ET

Join our webinar to learn the steps to take to submit a withdrawal request for your Alford Grant and NextGen 529 funds.

Register to attend the webinar at [NextGenforME.com/HowToRequestAG](https://NextGenforME.com/HowToRequestAG) or scan the QR code.



# Important Information



Quick links to additional resources:

- Additional Alfond Grant information and resources available at [NextGenforME.com/UseAlfondGrant](https://www.nextgenforme.com/UseAlfondGrant)
- Grant Terms and Conditions <https://www.nextgenforme.com/maine-grant-programs-terms-conditions/>
- Alfond Grant Guidelines <https://www.nextgenforme.com/alfond-grant-eligibility-guidelines/>



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# Questions?



Thank You!



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