Important Changes Coming To Your Michigan 529 College Savings Plan

2020 Transition Guide
This transition will not create a taxable event or count toward your two allowable investment changes per year. After the transition you may change your investment selection(s) if you have not already made two changes in 2020.

New Lower Fees and Enhanced Investment Options make a great program even better!

**LOWER FEES**

For nearly two decades, MESP has sought to make higher education more accessible for families. As one of the nation’s lowest cost 529 plans, MESP makes your goal of saving for your child’s higher education more attainable. Effective June 15, 2020, MESP account owners will see more of their hard-earned money invested toward their college savings goals with average annual fees reduced by 44%.

<table>
<thead>
<tr>
<th>PLAN TYPE</th>
<th>FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL PLANS</td>
<td>0.096%</td>
</tr>
<tr>
<td>DIRECT SOLD PLANS</td>
<td>0.40%</td>
</tr>
<tr>
<td>ADVISOR SOLD PLANS</td>
<td>0.95%</td>
</tr>
</tbody>
</table>

Based on average annual asset-based fees.

*Source: Strategic Insight 529 Plan Fee Analysis, First Quarter 2020.

**ENROLLMENT YEAR INVESTMENT OPTION**

If you currently invest in the MESP Age-Based Investment Option (Conservative, Moderate or Aggressive), your account will automatically convert to an Enrollment Year Investment Option, based on your child’s age as of June 12, 2020. See the next page for details.

**TWO NEW INVESTMENT OPTIONS**

MESP account owners may now take advantage of contributing future contributions into two (2) new Target Allocation Options: Aggressive Allocation Option and Conservative Allocation Option. Together with the Moderate Allocation Option (formerly named the Balanced Option), these multi-fund investment options offer additional choices for those who prefer a fixed asset allocation, rather than one that automatically changes as your child approaches an enrollment year. To learn more about the new MESP investment options, download the Program Description.

**NEW UNDERLYING INVESTMENTS**

MESP will expand its multi-manager investment lineup to include underlying investments from Vanguard, Schwab and iShares (BlackRock) while continuing to offer the same quality investments from TIAA and TIAA-CREF Life. Refer to the MESP Program Description, dated June 15, 2020, for additional information about MESP Investment Option underlying funds.

**IMPROVED ONLINE ACCOUNT MANAGEMENT & PAYROLL DIRECT DEPOSIT**

An improved online account management interface. The new interface will maintain the current security features to keep your personal information safe.

A new process for payroll direct deposit. You will no longer be required to mail in a paper payroll form to MESP. For those currently making payroll contributions, a letter was mailed to you with instructions for the transition. Please refer to the “What You Need To Do” section on the previous page.

Be sure to read this information carefully, including the updated Program Description which can be reviewed or downloaded at MIsaves.com/transition or contact us at 1-877-861-6377.

Beginning on June 15, you will need to create a new username and password to access your account online. The following items are required to complete the new registration process:

1. Your current or new MESP account number*
2. Account Owner Social Security Number.

* We recommend you make note of your current account numbers before June 15. You can obtain it by logging into your online account or by referring to your quarterly account statement.

Are you making automatic payroll contributions? If you are making payroll contributions to your account, a letter was mailed to you with instructions for additional action required by you. If you did not receive the mailing, visit MIsaves.com/transition or contact us for assistance at 1-877-861-6377. Payroll contributions submitted to the Plan after June 11, 2020 will not be processed and will be returned to your employer unless you update your direct deposit instructions.

WHAT YOU NEED TO DO...

Here’s What’s New

Starting on June 15, 2020 here are the key changes coming to MESP

- **Lower Fees** Resulting in an Overall 44% Reduction in Average Fees
- New Enrollment Year Investment Options
- New Target Allocation Investment Options (Balanced Option renamed Moderate Allocation Option)
- New Underlying Investments from Vanguard, Schwab and iShares.
- New and Improved Online Account Management
- New Payroll Direct Deposit Process

Lower Fees Resulting in an Overall 44% Reduction in Average Fees

New Enrollment Year Investment Options

New Target Allocation Investment Options (Balanced Option renamed Moderate Allocation Option)

New Underlying Investments from Vanguard, Schwab and iShares.

New and Improved Online Account Management

New Payroll Direct Deposit Process

Want proof? Here’s how MESP average plan fees rank against 80 529 college savings plans.*

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<tr>
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</tr>
<tr>
<td>DIRECT SOLD PLANS</td>
<td>0.40%</td>
</tr>
<tr>
<td>ADVISOR SOLD PLANS</td>
<td>0.95%</td>
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This transition will not create a taxable event or count toward your two allowable investment changes per year. After the transition you may change your investment selection(s) if you have not already made two changes in 2020.
The new Enrollment Year Investment Option builds on this methodology by offering more flexibility to meet varying investment objectives, risk profiles and investment time horizons. Instead of automatically adjusting the investment mix based on your beneficiary’s age, the portfolios automatically adjust based on the expected year your beneficiary will enroll in school. Plus, you have the flexibility to choose the enrollment year based on the expected year of school enrollment for your beneficiary or a different enrollment year that more closely aligns with your investment objectives and risk tolerance.

With the new Enrollment Year Investment Option, you will continue to experience the ease of use – you receive a professionally managed, diverse investment portfolio that does not require you to make any manual changes throughout the life of the investment. Account owners may also benefit from more frequent asset allocation adjustments in the Enrollment Year Investment Option, providing a more gradual investment allocation shift and reducing the timing risk associated with making allocation changes to equities.

Do you currently have an Age-Based Investment Option?

If this is your current option, please read this section. If your beneficiary is not enrolled in this Investment Option, you may skip ahead to the Transition Timeline section found on the next page.

MESP is committed to innovation, and more importantly, positioning your college savings investments for optimal performance throughout the lifetime of your account. The Age-Based Investment Options (Conservative, Moderate, Aggressive) have been popular investment choices for families. Based on your beneficiary’s age, this option automatically adjusts the investment mix of equities, fixed income, and a cash equivalent over time to become more conservative as your beneficiary nears the age of 18.

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### Automatic Conversion to the New Enrollment Year Investment Option

During the transition, the Michigan Education Savings Program will automatically convert your Age-Based Investment Option (Conservative, Moderate, Aggressive) to an Enrollment Year Investment Option based on the beneficiary’s age on June 12, 2020.

**For example,** if your beneficiary is 7 years old on June 12, your Age-Based Allocation (5-8 Years) Option will automatically convert to the 2030/2031 Enrollment Year Option. The Enrollment Year Investment Option will automatically adjust to become more conservative as your beneficiary’s enrollment year approaches.

As with all 529 Plans, you may change your investments in your MESP account up to twice per calendar year, or upon a change in beneficiary. If you have not made two transfers among your investment options in 2020, you may do so any time before December 31, 2020. If you have already made two transfers among your investment options, you will need to wait until January 1, 2021 to do so.

### This chart shows how your current Age-Based Investment Option will be transitioned to an Enrollment Year Investment Option.

<table>
<thead>
<tr>
<th>BENEFICIARY AGE ON JUNE 12, 2020</th>
<th>ENROLLMENT YEAR INVESTMENT OPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1</td>
<td>2036 / 2037</td>
</tr>
<tr>
<td>2-3</td>
<td>2034 / 2035</td>
</tr>
<tr>
<td>4-5</td>
<td>2032 / 2033</td>
</tr>
<tr>
<td>6-7</td>
<td>2030 / 2031</td>
</tr>
<tr>
<td>8-9</td>
<td>2028 / 2029</td>
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<tr>
<td>10-11</td>
<td>2026 / 2027</td>
</tr>
<tr>
<td>12-13</td>
<td>2024 / 2025</td>
</tr>
<tr>
<td>14-15</td>
<td>2022 / 2023</td>
</tr>
<tr>
<td>16-17</td>
<td>2020 / 2021</td>
</tr>
<tr>
<td>18+</td>
<td>In School</td>
</tr>
</tbody>
</table>

Learn more about the Enrollment Year Investment Options in the Program Description available at MIsaves.com/transition or contact us at 1-877-861-6377

1-877-861-MESP | MIsaves.com
Re-establish your online account access at MIsaves.com

Frequently Asked Questions

Why are changes being made to the Michigan Education Savings Program?

MESP and the Program Manager, TIAA-CREF Tuition Financing, Inc. (TFI), are implementing changes to the program to enhance the overall investor experience and make college savings easy and accessible to all Michigan families.

What changes are being made?

Effective June 15, 2020, MESP will launch the following changes:

- Transition of the Age-Based Investment Options (Conservative, Moderate, Aggressive) to Enrollment Year Investment Options.
- New feature to select an annual automatic increase to recurring contributions.
- New 11-character account numbers.
- New payroll direct deposit process.
- New online account management system.
- New mailing address:
  PO Box 55451
  Boston, MA 02205-5451
- New overnight mailing address:
  95 Wells Ave., Suite 155
  Newton, MA 02459
- New electronic gifting platform with enhanced feature (you will be given a new gift code for each account upon registering for a new online username and password.)

Transition Timeline

- **Thursday, June 11, 2020**: No transactions will be processed if received after 4:00 p.m. ET until after the transition.
  To make it easier for online account access post-transition, make note of your current account number and download your most recent account statement.
- **Friday, June 12, 2020**: The website and phone center will be unavailable on Friday June 12, 2020, beginning at 4:00 p.m. ET.
  - Once the transition is completed, your account will automatically transition to the new account management system.
  - If you are currently invested in an Age-Based Investment Option (Conservative, Moderate, Aggressive), your account balance(s) will automatically transfer to a new Enrollment Year Investment Option.
  - Transaction activity resumes as normal.
  - In order to access your account online, you will need to proceed to the Web Registration page and create a new username and password beginning on June 15, 2020, to complete the registration process, using your old or new 11-character account number.
  - You will receive a confirmation statement with your new MESP account number by mail, or if you have elected eDelivery, a confirmation statement will be delivered to your online account.
  - Future contributions can be allocated to the new Target Allocation Investment Options: Aggressive Allocation Option and Conservative Allocation Option. Learn about the new MESP investment options in the Program Description available at MIsaves.com/transition or contact us at 1-877-861-6377.
- **Monday, June 15, 2020**: Transaction activity resumes as normal.
  - In order to access your account online, you will need to proceed to the Web Registration page and create a new username and password beginning on June 15, 2020, to complete the registration process, using your old or new 11-character account number.
  - You will receive a confirmation statement with your new MESP account number by mail, or if you have elected eDelivery, a confirmation statement will be delivered to your online account.
  - Future contributions can be allocated to the new Target Allocation Investment Options: Aggressive Allocation Option and Conservative Allocation Option. Learn about the new MESP investment options in the Program Description available at MIsaves.com/transition or contact us at 1-877-861-6377.

About Your New Account Number

Rather than different account numbers for each beneficiary, your new account number will be a 9-character string of numbers (your master account number) followed by a 2-character extension for each of your beneficiaries. If you have only one beneficiary the extension is 01, for multiple beneficiaries 02, 03, etc.
**What is staying the same?**

- TIAA-CREF Tuition Financing, Inc. (TFI), as Plan Manager, with underlying investments from TIAA-CREF, TIAA-CREF Life and Vanguard.
- Our website and phone number: MIsaves.com 1-877-861-MESP
- Your current account elections (e.g., delivery method, investment allocation instructions.)
- Your current automatic/recurring contributions from a checking or savings account.
- Security levels of online account management interface system.

**What do I need to do?**

- Review this transition guide and call if you have questions.
- **Download and keep your year-end account statements** for the last two years and make note of your old account number for ease of registering for online access after the transition. You may also wish to save your most recent 1099-Q if applicable.
- When accessing your online account on or after June 15, 2020, you will need **your old account number or new 11-character account number** to register for a new username and password.
- If you are currently contributing to your account through payroll contributions, you should have received a separate mailing with transition instructions. If you did not receive this mailing, visit MIsaves.com/transition or contact us for assistance.
- If bill pay is utilized, **update your new MESP account number along with our new address**, PO Box 55451, Boston, MA 02205-5451, with your bank.
- **Destroy any pre-printed envelopes and deposit tickets you may have.** New deposit tickets will be periodically provided with your statements. Destroy any old MESP envelopes with the previous mailing address.
- Please be aware that during the transition there will be a brief period when no account transaction activity will be processed. Please review the transition timeline on the previous page.

**New Program Description available at MIsaves.com/transition or contact us at 1-877-861-6377**

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**Frequently Asked Questions Continued**

Please refer to the Program Description at MIsaves.com, or request by calling, prior to investing for details on risk, tax benefits, charges and expenses and whether your home state offers tax or other benefits such as financial aid, scholarship funds, or protection from creditors for investing in its own 529 program. Investments in the Program are neither insured nor guaranteed and there is the risk of investment loss. Consult your legal or tax professional for tax advice. TIAA-CREF Tuition Financing, Inc. (TFI), Plan Manager. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter for the Michigan Education Savings Program.