

My name is Eric Marshall. I have 2 accounts with the Maryland Prepaid College Trust (MCPT), opened in 2002 and 2003 via a lump sum payment. The MCPT informed account holders in August 2021 regarding a change to the Minimum Benefit Calculation. They stated the minimum benefit would now be calculated by applying a 6% earnings rate from the date of my contributions to the MCPT until I decide to take the money out to pay for college. I was excited by this change, as it would increase the amount I could receive from the trust to pay for my children to go to college **by a significant amount**. In my scenario, the **additional amount** of money I would be entitled to was about **\$45,000**.

In August and September 2021, I called and spoke to Erin Layton, the Executive Director, and Janaki Kannan, the Director of Budget & Fiscal Administration to confirm the methodology of the Minimum Benefit Calculation. They both confirmed the 6% earnings calculation would start from the time the money was contributed to the plan.

I have attached 3 emails, 2 from Janaki Kannan and 1 from [mcpt@maryland529.org](mailto:mcpt@maryland529.org) (the general mailbox). All 3 emails state clearly the 6% earning rate will apply from the time of my contribution to the plan.

The Maryland 529 is now saying the 6% earnings rate will only apply from November 2021, not when I contributed my funds. Based on the information attached, along with information in their annual report, the published actuarial valuation assumptions, and numerous correspondence other account holders have had with the MCPT, it is clear the change was supposed to be a 6% return from the time of contribution.

As I have a contract with the Maryland 529, Article IX states the "Board will not retroactively modify existing Contract provisions in a manner adverse to you or your Beneficiary". Based on this language, **I ask the Maryland Legislature to require the Maryland 529 honor the change effective November 2001 that increases the earnings rate on the minimum benefit calculation to 6% from the date of contribution.**

## Eric Marshall

To: MARSHALL Eric

RE: Contract Changes Effective November 1, 2021



Janaki Kannan <jkannan@maryland529.org>

To ✓ Eric Marshall



Reply

Reply All

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Mon 8/23/2021 9:30 AM

You replied to this message on 8/23/2021 9:36 AM.

Good Morning Mr. Marshall.

The 6% interest used to calculate Minimum Benefits will begin from the date of the contributions to the Plan.

Thanks  
Janaki

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**From:** Eric Marshall <[eric@charltonconsulting.com](mailto:eric@charltonconsulting.com)>

**Sent:** Monday, August 23, 2021 8:50 AM

**To:** Janaki Kannan <[jkannan@maryland529.org](mailto:jkannan@maryland529.org)>

**Subject:** FW: Contract Changes Effective November 1, 2021

Janaki,

Hello. I found your address on the Maryland 529 website. I am an account holder and asked a question regarding the MCPT calculation change to the minimum benefit (see below for the answer).

Regarding the minimum benefit calculation change effective on November 1, will the 6% interest on contributions made prior to November 1 begin on November 1, 2021, or will the 6% interest rate be used to calculate the minimum benefit begin from the date of the contributions to the plan?

RE: Contract Changes Effective November 1, 2021



Janaki Kannan <jkannan@maryland529.org>  
To ✓ Eric Marshall



Reply

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Mon 8/23/2021 9:45 AM

You replied to this message on 8/23/2021 9:47 AM.

Mr. Marshall,

If you made contributions to the plan in 2001 and 2002, the 6% interest will be used to calculate minimum benefits from that time.

1. The minimum benefits get paid at every distribution request. The new system will compare your tuition/WAT benefits and the minimum benefits. Your benefit will be the higher of the 2. If your minimum benefit is higher than the Tuition/WAT, you will be eligible to receive the minimum benefit.
2. The change will not affect the distributions already received. The change will only affect the distributions taken after November 2021.

Thanks  
Janaki

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**From:** Eric Marshall <[eric@charltonconsulting.com](mailto:eric@charltonconsulting.com)>  
**Sent:** Monday, August 23, 2021 9:36 AM  
**To:** Janaki Kannan <jkannan@maryland529.org>  
**Subject:** RE: Contract Changes Effective November 1, 2021

Thanks for the response.

In my case, I made contributions to the plan in 2001 and 2002. Will the 6% will be used from then? Assuming this answer is yes, my minimum benefit is higher than the weighted average benefit. My questions are:

1. When does the minimum benefit get paid (at every distribution request)?
2. For distributions already received, how does this affect the minimum benefit?

Thanks,

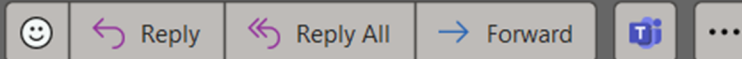
Eric

RE: Contract Changes Effective November 1, 2021



mpct <mpct@maryland529.org>

To ✓ Eric Marshall



Mon 8/23/2021 11:03 AM

Hi –

Following up to the previous response as we received some clarification regarding your original question:

The 6% interest rate used to calculate the Minimum Benefit will be applied since the first contribution.

Best,  
Maryland Prepaid College Trust  
Maryland 529

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**From:** mpct  
**Sent:** Monday, August 23, 2021 9:11 AM  
**To:** 'Eric Marshall'  
**Subject:** RE: Contract Changes Effective November 1, 2021

From now until November 1, 2021.

Again if you have additional questions, please email [accounts@maryland529.org](mailto:accounts@maryland529.org) or call us toll-free at 1-888-463-4723 and select option #2.

Thank you.

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**From:** Eric Marshall [<mailto:eric@charltonconsulting.com>]  
**Sent:** Monday, August 23, 2021 8:34 AM  
**To:** mpct  
**Subject:** Re: Contract Changes Effective November 1, 2021

From what date will the 6% be earned? Will it be November 2021, or the date of the contribution?

Thanks

Eric Marshall