

**Q. Can I participate in another state's 529 plan as a New Jersey resident? How is the New Jersey plan compared to others? Which other states should I look at? Who can I transfer the plan to if my daughter decides to blow off college?
— Dad of a one-year-old**

A. Yes, you may participate in another state's 529 plan if you are a New Jersey resident.

[The New Jersey plan](#) is managed by Franklin Templeton and offers a variety of age-based and static portfolio options, said Marnie Aznar, a certified financial planner with Aznar Financial Advisors in Morris Plains.

“As with all investments, it is important to be aware of the [underlying fees](#) being charged by the program,” she said.

The New Jersey plan levies the following fees:

- Program management fees: 0.10 percent manager fee
- Expenses of the underlying investments: Ranges from 0.35 to 0.79 percent (portfolio weighted average) in the age-based and objective-based portfolios, and from 0.04 percent to 0.19 percent in the individual-fund portfolios.
- Total asset-based expense ratio: 0.14 to 0.89 percent

Aznar said New Jersey does not offer any state income tax deduction or credit for contributions made to its plan.

“There is no program match, however New Jersey beneficiaries are eligible for a one-time scholarship of up to \$1,500 for the first semester at any New Jersey college or university subject to minimum participation and contribution requirements,” she said. “Please note that the beneficiary must attend a New Jersey school in order to be eligible for this scholarship.”

If your daughter decides [not to go to college](#), the funds in her Section 529 plan can be transferred to any qualifying family member of the original beneficiary, Aznar said. This would include your daughter's future spouse, future children, aunt or uncle, parent, step-parent, niece or nephew, siblings, parents and more.

[New Jersey's plan](#) doesn't come at the top of the list of plans that have shown good performance and low fees.

Aznar says you might want to look at these:

1. [Utah](#) Educational Savings Plan (UESP)
2. [New York's](#) 529 College Savings Program
3. [College Savings Iowa](#)

“Just for comparison purposes, the total asset-based expense ratio in the Utah plan is 0.15 percent to 0.202 percent, or 0.2 percent to 0.595 percent for the customized state and age-based options,” she said. “So, this plan is less expensive than the New Jersey plan.”

NJMoneyHelp.com has always been a fan of the [Michigan plan](#), so take a look at that one, too.

Email your questions to Ask@NJMoneyHelp.com