

# 2025 Kansas Investments Developing Scholars (KIDS) Matching Grant Program Description



## Background

The KIDS Matching Grant Program was created by K.S.A. 75-650 as a part of the Learning Quest 529 Education Savings Program administered by the State Treasurer, Steven Johnson. The KIDS Matching Grant Program ("The KIDS Program") is for Kansas residents with household incomes at or below 200% of the federal poverty level. When you (the Learning Quest Account Owner) enroll your beneficiary (the student who is the participant) in the KIDS Program, the state will match the first \$600 that you contribute to your Learning Quest account during 2025. You must contribute at least \$100 during 2025 to be eligible. The matching grant funds must be used to fund the account beneficiary's qualified education expenses. The KIDS Program is limited to 1,000 participants (up to 250 from each of Kansas' four Congressional Districts). **Applications are processed on a first come-first served basis and must be received by the Kansas State Treasurer's Office no later than December 1, 2025.** All supporting documentation must be submitted with your application, or received within 14 days of your application.

## Handbook Variations

This *Program Description* contains variations to your *Learning Quest Handbook* that address how your account will be registered and how withdrawals will be handled. All the other terms in your *Learning Quest Handbook* that are not addressed in this *Program Description* will apply to your KIDS Program Contribution Account.

## Eligibility

To be eligible for a 2025 matching grant, the Learning Quest account owner(s) must not be a minor or claimed as the dependent on someone else's federal income tax return; must reside in the state of Kansas; and must have a total 2024 Federal Adjusted Gross Income for all members of the household that is greater than zero and not more than the amount listed below:

Persons in Family or Household	1	2	3	4	5	6	7	8	For each additional person, add
Income Below	\$31,300	\$42,300	\$53,300	\$64,300	\$75,300	\$86,300	\$97,300	\$108,300	\$11,000

The qualifying income thresholds are subject to change each year; the amounts in the table above are equal to 200% of the applicable federal poverty level for 2025. Your "household" is all persons related by birth, marriage or adoption who share your residence. Anyone who has resided in your household at any point during 2024 is presumed to have resided there for the entire calendar year. If that does not apply to a member of your household during 2024, you must provide additional documentation showing the dates that person resided in your household and proof of the amount of income they earned during that period. To be eligible for a 2025 matching grant, each Learning Quest account owner must apply for the matching grant using the total household income from 2024, regardless if you have been approved in the past. See additional requirements regarding income verification below and on page 2.


## Joint Account Owners

If your Learning Quest account has joint account owners, each individual must be eligible to receive the matching grant. Joint owners who live in separate households must include household income information for all members of both households, in the "Household Members" section of the application.

## Income Verification

To verify your 2024 household federal adjusted gross income, you must provide a copy of the 2024 federal tax return for everyone in your household who is required to file a 2024 federal tax return. If you can't provide a copy of any required tax return, you must provide a tax transcript from the IRS showing federal adjusted gross income for 2024. If anyone in your household had income but did not file a tax return, you must provide a 2024 wage and income transcript from the IRS showing that person's federal adjusted gross income for 2024. For information on obtaining federal tax transcripts, visit [www.irs.gov/individuals/get-transcript](http://www.irs.gov/individuals/get-transcript).

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**It is your responsibility to provide all required tax returns or transcripts with your application.** All supporting documentation must be submitted with your application, or received within 14 days of your application.

You may submit applications and supporting documentation via mail or fax as listed on page 1 of the *KIDS Program Application*. Supporting documentation (not applications) may be submitted via email to KIDS\_LQ@americancentury.com. Note that supporting documentation contains sensitive personal and financial information, and emails sent through your email service may not be encrypted and secure. **The State Treasurer's Office recommends submitting documents by mail or fax for greater security.**

Once your application and supporting documentation are processed, the State Treasurer's Office will notify you of approval or denial via mail or email. All approvals are provisional pending final verification of income and the amount of account contributions during calendar-year 2025.

## Eligible Contributions

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The KIDS matching grant only applies to contributions made directly by the eligible account owner(s). Contributions from third parties (including from entities owned by an eligible account owner), contributions through third-party gifting websites (such as Ugift), earnings from rewards programs (such as Upromise), and rollovers from 529 plans sponsored by other states are not eligible for a KIDS matching grant. To receive the matching grant funds, you must contribute a minimum of \$100 per year. The KIDS Program will match your contribution up to \$600 per year. To be applied to the KIDS 2025 program year, your **contributions must be completed online by December 31, 2025** (or postmarked by December 31, 2025, and received by January 8, 2026).

## Account Setup and Match Processing

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Open an account online at [www.learningquest.com](http://www.learningquest.com) and select the account type of KIDS Contribution Individual Account, or KIDS Contribution Account (Joint Owner). You'll then be prompted to enter the income for all household members. Be sure to list anyone related to you by birth, marriage, or adoption who resided in your household during 2024 (not 2025). If submitting a paper *KIDS Program Application*, please submit a paper *Learning Quest Application* as well (rather than completing the online process).

Once you are approved to participate in the KIDS Program, we will open two Learning Quest accounts based on the *Learning Quest Application* you submit along with the *KIDS Program Application*. The first Learning Quest account will be registered as your "Contribution Account," and it will hold your match-eligible contributions. The second account will be registered as your "Match Account," and it will hold the matching grant funds that you will receive each January from the State of Kansas. The beneficiary that you designate and the investment portfolio that you select on the *Learning Quest Application* will be used for both accounts. You may change the investment option, but the changes will be applied to both accounts. Certain restrictions may apply to changes to KIDS account owners and beneficiaries. See K.A.R. 3-4-5 and K.A.R. 3-4-7.

Once you have contributed the maximum grant eligible amount of \$600 in a calendar year, any additional contributions will be invested in a separate unrestricted account registered identically to your Contribution Account.

In January, the Kansas State Treasurer's Office will review contributions made during the prior year by account owners who have been provisionally approved, to determine the amount of matching grant funds that applicants are eligible to receive. To receive the matching grant funds, you must contribute a minimum of \$100 per year. Match contributions will be made equal to your contributions up to \$600 per year and will be deposited no later than January 31 of the following year. **If you withdraw any funds from your account at any time during 2025, you will not be eligible to receive a 2025 matching grant** for contributions to any account for the same designated beneficiary.

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## Qualified Education Expenses and Withdrawing Funds

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To withdraw funds from your KIDS accounts, complete and return a KIDS Program Withdrawal Form, available from the Kansas State Treasurer's Office, American Century Investments, or at [www.learningquest.com](http://www.learningquest.com). Please note that if you withdraw funds from a KIDS account, you will not be eligible to receive a matching grant for that beneficiary during the same year.

Matching grant funds must be used only for Qualified Education Expenses. However, the Kansas State Treasurer's Office no longer reviews or approves KIDS Program withdrawals in advance.

Starting in 2025, any withdrawal of matching funds under the KIDS Program is subject to audit by the Kansas State Treasurer's Office. If an audit determines that the withdrawal is a nonqualified withdrawal, the Kansas State Treasurer is required to notify the Kansas Department of Revenue and other taxing authorities, and you must repay the matching portion of the withdrawal to the State of Kansas. Nonqualified withdrawals are also subject to federal and state taxes and potential tax penalties.

Do not send receipts or other documents with your withdrawal form. However, in the event of an audit by the Kansas State Treasurer's Office, the Internal Revenue Service, or other agency, you may be required to produce records regarding the use of any funds withdrawn from your KIDS Program Account and any regular Learning Quest account. **You should keep all records required to demonstrate the use of withdrawals for Qualified Education Expenses.**

## Rollovers and Tax Issues

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In addition to the repayment obligation noted above, withdrawals that are not for Qualified Education Expenses (including rollovers) may be subject to federal and state income taxation, and possible additional federal tax penalties.

It is our belief that the state's contribution to your Match Account will not be treated as income to you at the time of the contribution, due to restrictions we have placed on the Match Account. We will treat the balance in your Match Account as earnings when reporting your contributions and earnings on *IRS Form 1099Q* when a withdrawal is made from any account for the same designated beneficiary. This means that if you make a nonqualified withdrawal from any account for the same designated beneficiary, the amount of the matching grant and any earnings in the Match Account will be used to determine the earnings portion of the withdrawal that is subject to state and federal taxation and tax penalties. We have not received a confirmation of this understanding from the Internal Revenue Service or other taxing authorities, and we encourage you to consult a tax advisor about the taxability of the matching grant.

## Additional Information

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If you have questions about Qualified Education Expenses, nonqualified withdrawals, and potential tax impacts, please refer to the Learning Quest Handbook and IRS Publication 970 ("Tax Benefits for Education"), and consult with an independent tax or legal advisor.

## Additional Requirements and Contact Information

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Other requirements continue to apply to the Learning Quest and KIDS Program pursuant to various state and federal statutes, regulations, and rules. For example, see K.S.A. §§ 75-640 through -649 (Learning Quest postsecondary education program statutes); K.S.A. § 75-650 (KIDS Program Statutes); K.A.R. 3-4-1 through -7 (KIDS Program Regulations); and 26 U.S.C. § 529 (federal statute governing qualified tuition plans).

If you have questions about the KIDS Program, you can contact the Kansas State Treasurer's Office at 1-866-504-5898 or by email at [LQ@treasurer.ks.gov](mailto:LQ@treasurer.ks.gov) or contact American Century Investments at 1-800-579-2203.

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# 2025 Kansas Investments Developing Scholars (KIDS) Program Application



Use this application to apply for the State of Kansas' KIDS Matching Grant Program.

- Complete and mail, with this form, a *Learning Quest Account Application* for **EACH** beneficiary listed in Step 1 who doesn't already have a Learning Quest account.
- Make sure to list ALL members of your household related by marriage, birth, or adoption in Step 3, including children, even if their income is \$0.
- **Your complete KIDS Program Application must be received by December 1, 2025.** All supporting documents (such as tax returns or transcripts) must be submitted with your application, or received within 14 days of your application; see the Program Description for information on submitting supporting documents. To be applied to the KIDS 2025 program year, **your contributions must be completed online by December 31, 2025** (or postmarked by December 31, 2025, and received by January 8, 2026). Contributions may be made online by logging into your Learning Quest account.
- If you have questions, please contact the Kansas State Treasurer's Office at 785-296-3171 or by email at [LQ@treasurer.ks.gov](mailto:LQ@treasurer.ks.gov), or call American Century Investments at 1-800-579-2203.
- Print clearly, preferably in capital letters and black ink. Mail or fax the application to the address below. Do not staple.

Return this form and any other required documents to:

**Learning Quest**  
**P.O. Box 29202**  
**Shawnee Mission, KS 66201-9202**

**Fax: 1-617-559-8901**

For overnight delivery or registered mail, send to:

**Learning Quest**  
**1001 E 101st Terrace, Suite 200**  
**Kansas City, MO 64131**

## 1 Participant (Beneficiary) Information

List the beneficiary(s) whose education expenses will be paid from the account(s). You may list more than one beneficiary if their accounts are owned by the same Account Owner(s). Include the Learning Quest Account number for each beneficiary that already has a Learning Quest Account. We will move any eligible current year contributions to your new KIDS Contribution Account(s). We will also move your recurring contributions or Payroll Deduction, if applicable, to the new account.

Mr./Mrs./Ms.	Beneficiary's first name	Middle initial	Beneficiary's last name
Beneficiary's U.S. Social Security number		Current Learning Quest Account number	
Mr./Mrs./Ms.	Beneficiary's first name	Middle initial	Beneficiary's last name
Beneficiary's U.S. Social Security number		Current Learning Quest Account number	
Mr./Mrs./Ms.	Beneficiary's first name	Middle initial	Beneficiary's last name
Beneficiary's U.S. Social Security number		Current Learning Quest Account number	
Mr./Mrs./Ms.	Beneficiary's first name	Middle initial	Beneficiary's last name
Beneficiary's U.S. Social Security number		Current Learning Quest Account number	
Mr./Mrs./Ms.	Beneficiary's first name	Middle initial	Beneficiary's last name
Beneficiary's U.S. Social Security number		Current Learning Quest Account number	

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## 2 Account Owner Information

List the individual(s) who will be the Account Owner(s) of the Learning Quest Account(s). If you list more than one person, each person must meet the eligibility requirements of the KIDS Program.

\_\_\_\_\_  
Mr./Mrs./Ms.      Account Owner's first name      Middle initial      Account Owner's last name

\_\_\_\_\_  
Account Owner's U.S. Social Security number

\_\_\_\_\_  
Account Owner's street address      Apartment/Unit

\_\_\_\_\_  
City      State      ZIP

\_\_\_\_\_  
Congressional District      County

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Telephone number (daytime)      Telephone number (evening)

\_\_\_\_\_  
Mr./Mrs./Ms.      Joint Account Owner's first name      Middle initial      Joint Account Owner's last name

\_\_\_\_\_  
Joint Account Owner's U.S. Social Security number

\_\_\_\_\_  
Joint Account Owner's street address      Apartment/Unit

\_\_\_\_\_  
City      State      ZIP

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### 3 Household Members

Please list below all individuals, including children, related by marriage, birth, or adoption living in the Account Owner's household, along with each person's Federal Adjusted Gross Income from their 2024 income tax return (including if it was zero).

If you are providing Federal Adjusted Gross Income from a joint tax return, please enter the full income amount next to the taxpayer's name and enter \$0 for the other taxpayer.

If the joint Account Owner resides in a household different than the Account Owner, please provide a separate sheet with the Federal Adjusted Gross Income for members of the Joint Account Owner's household.

***All Account Owners and household members, including children, must be listed below.***

Account Owner's name

\$ \_\_\_\_\_  
Adjusted gross income

Household member's name  
(If this member is a joint taxpayer with the Account Owner, please enter the joint taxpayer's name, and \$0. The full income amount should be provided above.)

\$ \_\_\_\_\_  
Adjusted gross income

Household member's name

\$ \_\_\_\_\_  
Adjusted gross income

Household member's name

\$ \_\_\_\_\_  
Adjusted gross income

Household member's name

\$ \_\_\_\_\_  
Adjusted gross income

Household member's name

\$ \_\_\_\_\_  
Adjusted gross income

**Total**      \$ \_\_\_\_\_

## 4 Household Members Signature(s)

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Each Account Owner must sign the *KIDS Program Application*.

***By signing this application, I certify that all of the information on this application, and as may be otherwise provided in connection with this application, is accurate, and that I have read and understood the 2025 KIDS Matching Grant Program Description.***

\_\_\_\_\_  
Account Owner's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joint Account Owner's signature

\_\_\_\_\_  
Date