

Adding a 529 to Your 9 to 5

How saving for education can help
your organization and employees

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Enhance your Benefit Offerings by offering Employees the ability to save for College in a 529 Plan

- **What is a 529 plan?**
 - Named after Section 529 of the Internal Revenue Code
 - Generally sponsored by individual states
 - Flexible, convenient, simple to establish and maintain
 - Federal and state tax advantages
 - Professionally managed investments
 - NV – SSGA (State Street Global Advisors)
 - Estate-planning and gift-tax advantages



Federal and state tax considerations

- **Earnings are tax deferred**
 - Earnings grow federal and state income tax-deferred until withdrawn
- **Qualified withdrawals for education are tax free***
 - Can be used up to \$10,000 per student/per year for K-12 tuition
 - Can be used for tuition, fees, certain room and board costs, books, supplies, and equipment, including computers.
 - Can be used at any eligible post-secondary institution
 - U.S. and abroad
 - 2- and 4-year colleges
 - Graduate schools (including business, medical, and law)
 - Technical/vocational schools
 - Can be used up to \$10,000 for repayment of student loans within the lifetime of the beneficiary**.
 - An additional \$10,000 may be used within the lifetime of each sibling of said beneficiary.

*Earnings on nonqualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. Tax and other benefits are contingent on meeting other requirements and certain withdrawals are subject to federal, state, and local taxes.

**The portion of student loan interest that is paid for with tax-free 529 plan earnings is not eligible for the student loan interest deduction.

Owner/beneficiary of a 529 plan

- **Account owner**

- Can be parent, grandparent, relative, or friend
- Retains control of how — and when — the money is used
- Can change the beneficiary to another “member of the family”*
- Owns the account, but typically anyone can contribute to it

- **Beneficiary**

- Student for whose benefit the account is established
- No family relationship required between the account owner and beneficiary
- Beneficiary can open an account for his/her own eligible continuing education and career retraining

- **No Age limit or time limit to use the funds**

* May be considered a taxable event if the new beneficiary is not a “member of the family” of the previous beneficiary. Please see the Program Description for a definition of “member of the family.”

Some features of the NV Plan – SSGA Upromise 529

- **Open an Account for as little as \$15* per pay period**
- **Silver State Matching Grant Program****
 - Submit a separate application – April 1st – July 31st
 - Eligible account owners may be eligible to receive \$300 per beneficiary for a maximum of 5 years - \$1500 lifetime maximum
- **Ugift Feature**
 - Account owner obtains a unique Ugift code for each beneficiary
 - Share the code with families & friends inviting them to make contributions to the child's account
 - Family/friends ACH direct deposit directly into the account
 - Short video and lots of ideas on our website: www.nevadas529.com

* a plan of regular investment cannot assure a profit or protect against a loss in a declining market

** Matching grants are subject to availability of funds, and there is no guarantee of the continued operation of the Silver State Matching Grant Program.

Voluntary Benefits: An Overview



Voluntary benefits are gaining popularity

“Employer-sponsored health insurance and retirement plans are always a vital part of the employee benefits conversation. But a number of other benefits — think wellness and perks that promote work-life balance — are becoming table stakes as employers look to attract and retain talent in a tightened labor market.”

Voluntary benefits

- Flexible spending accounts
- Short-term disability insurance
- Long-term disability insurance
- Long-term care insurance
- Group legal plans
- Auto/home insurance
- Identity theft protection
- Pet Insurance
- **529 college savings plans**

Informational workshops

- Retirement planning
- Health and wellness
- Estate planning
- Smoking cessation programs
- **Financial literacy**
- **Financial aid**
- **Saving for college**

Benefitnews.com, July 16, 2018 “15 Employee Benefits on the rise”

Why offer voluntary benefits

Voluntary benefits are appealing to employees because they offer a nice flexibility to everyone's compensation package.

But why are voluntary benefits important to employers?

Here's what the data* has to say:

1. Provide employees the resources they need to quickly resolve financial, legal and medical issues
2. Improved employee wellness and increased productivity means a stronger company.
3. Voluntary benefits play a vital role in attracting and retaining the type of employees that make companies a success.

* www.worldatwork.org, March 2, 2018
"Why Voluntary Benefits are Vital to Employees and Employers"

Workload for your HR / Payroll Department

- After-tax payroll Direct Deposit
 - Similar to a separate account for Vacation account or a Christmas Club
- Employees (while opening account) – choose PAYROLL as an option
 - Payroll form is pre-populated with:
 - ABA number
 - Account number
 - Payroll sets up an **AFTER-TAX** payroll direct deposit
 - OR – Do you have a self-direct payroll system?
 - Employees set this up themselves

Offer a 529 College Savings Plan for:

- **NO** Cost
- **NO** Contract
- **NO** Minimum participation
- **NO** W2 reporting
- **NO** 5500 reporting

- **After-tax payroll Direct Deposit**
 - Similar to a separate account for Vacation account or Christmas Club

- Should Employees leave your company
 - No rollover
 - Account belongs to employee
 - Employer is providing the courtesy & convenience of payroll direct deposit

How to rollout offering a 529 plan to your employees



Lisa Connor, Senior Institutional Relationship Manager, Ascensus Government Savings

- **10 years, Ascensus Government Savings**
 - Series 6, & 63 licensed
 - Subject Matter Expert – 529 plans
- **11 years, Student Loan Marketing**
- **17 years, College Financial Aid Director**
- **Attend Benefit Fairs**
- **Lunch & Learns / Workshops / tabling events**
- **Email blast – details / links**
- **New Employee Orientation – provide brochures**
- **URL link to our website from your HR Benefit page**
- **Posters**
- **Work with HR staff**
 - Tailor rollout to work best for your company

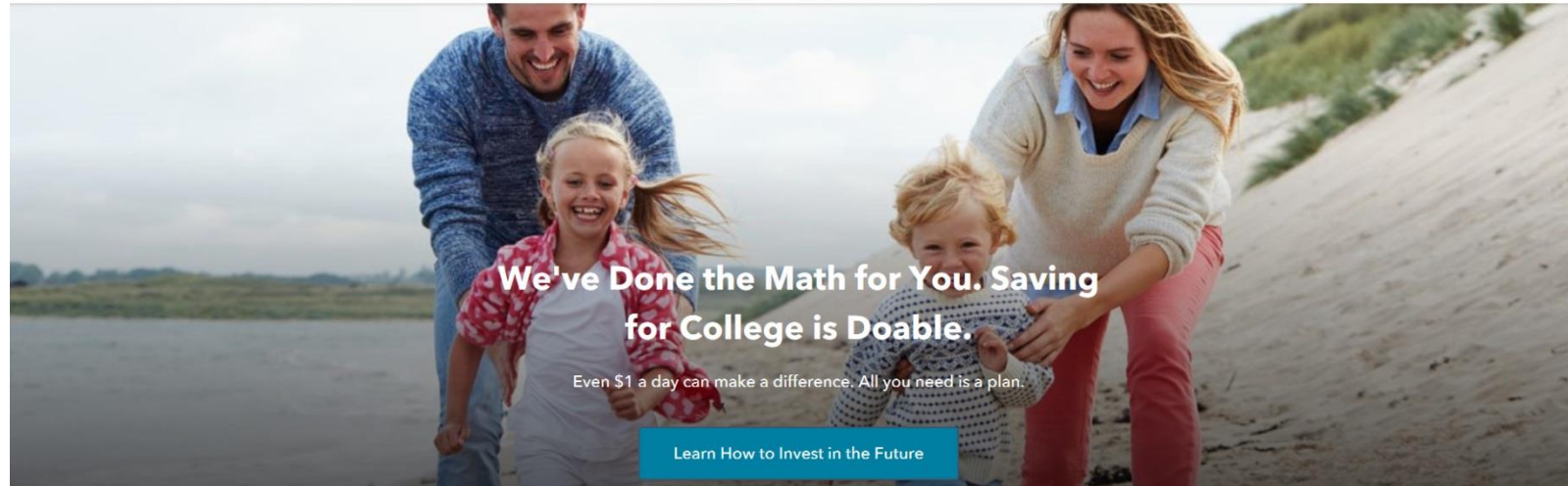


Ms. Connor is a registered representative of Ascensus Broker Dealer Services LLC, 877-529-2980, 95 Wells Ave, Newton MA (member FINRA/SIPC) and is not employed by the State of Nevada.

No Organization is too big / too small

- Size is no issue: 529 plans can accommodate companies of any size, from two employees to more than 100,000 employees
- Industry-neutral: Offered by employers including manufacturers, hospitals, school districts, colleges and universities, consulting firms, law firms, accounting firms, government agencies, and religious organizations
- Multi-state employers:
 - www.howtosaveforcollege.com

Learn more: howtosaveforcollege.com

[Home](#)[Saving 101](#)[529 Basics](#)[What to Expect](#)[Insights](#)[Find Your Plan](#)[Email Sign Up](#)

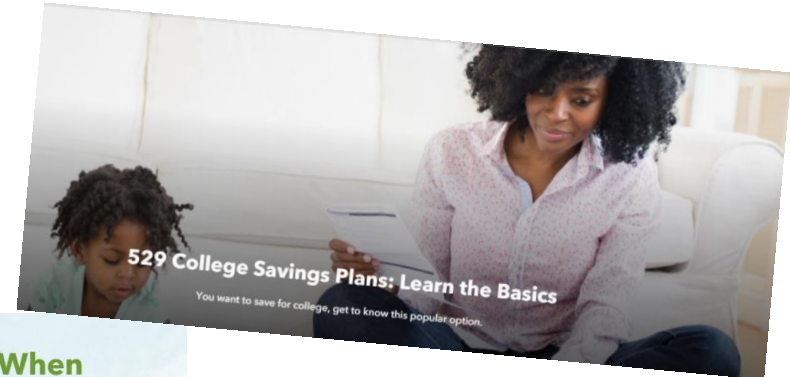
**We've Done the Math for You. Saving
for College is Doable.**

Even \$1 a day can make a difference. All you need is a plan.

[Learn How to Invest in the Future](#)

Meet Your College Savings Solution:
A 529 PLAN

Learn more: howtosaveforcollege.com



What to Consider When Choosing a 529 College Savings Plan

Just like picking a college, you need to make a few decisions when setting up a 529 plan. We've put together some important points to help you.

What to Expect from a 529 Plan

What Is It Good for?

529s are flexible, so your future student can have options.

TYPES OF SCHOOLS

529s aren't just for your typical 4-year schools, but are also good at community colleges, vocational and trade schools, and more. The only requirement is that the school participates in the U.S. Department of Education student financial aid programs.

4-YR
College & University

2-YR
Associate Degree



Trade & Tech
School



Graduate School

FEATURES TO LOOK FOR

- ✓ **INVESTMENT CHOICE**
- ✓ **EXPERT MANAGEMENT**
- ✓ **COST**
- ✓ **ADDITIONAL WAYS TO SAVE**

Meet Your College Savings Solution: A 529 PLAN

A 529 college savings plan is a simple way to save for your child's education.

If You Save				
\$10	\$25	\$50	\$75	\$100
Per Month				



Potential College Savings
\$10,062

Based on 18 years of saving and a 5% return on investment.¹

Need some perspective? The average cost of a public, in-state, 4-year college is about \$21,000 per year.²

Start with a plan.

2. Give your plan, and

3. Help your child's dreams

Questions?

Summary and Additional Resources

529 plan summary:

Benefits for your organization

- Easy feature for HR/payroll department to implement
- Can help attract and retain employees
- Differentiates your benefits plan from competitors
- No additional cost or reporting requirements for you
- Complementary benefit to 401(k) and other employer-sponsored savings programs (though after-tax dollars are used)
- Enhances other education-related benefits, like tuition reimbursement

529 plan summary:

Benefits for your employees

- Introduces parents, grandparents, and others to an easy way to save for higher education on a regular basis
- Generally low cost
- Easy online account management
- Control by the account owner as to how/when/where funds are used
- Account owners can gain tax advantages
- Portable account structure means that the account owner can continue to contribute after employment ends

Additional resources

Websites

- www.ascensuscollegesavings.com
- www.howtosaveforcollege.com
- www.savingforcollege.com
- www.collegesavings.org
- www.finaid.org

Books

The Best Way to Save for College: A Complete Guide to 529 Plans

By Joseph Hurley, CPA

Disclosures

Before investing in any 529 plan, you should consider whether your or the designated beneficiary's home state offers a 529 plan that provides its taxpayers with state tax and other benefits that are only available through the home state's 529 plan. You also should consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact directly your home state's 529 plan(s), or any other 529 college savings plan, to learn more about those plans' features, benefits and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

Investment objectives, risks, charges, expenses, and other important information are included in a 529 college savings plan's offering statement; read and consider it carefully before investing.

When you invest in a 529 college savings plan you are purchasing municipal securities whose value will vary with market conditions. Investment returns are not guaranteed, and you could lose money by investing in a 529 college savings plan. Account owners assume all investment risks as well as responsibility for any federal and state tax consequences.

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