

# Tax Reform Update

On December 22, 2017, new federal tax reform legislation (H.R. 1) was signed into law. This legislation includes new provisions that allow 529 Plan account owners to withdraw assets to pay for K-12 tuition up to \$10,000 per year per beneficiary, and to roll over 529 Plan assets into ABLE Plan accounts, subject to the annual contribution limit, beginning in 2018. These withdrawals will have no federal tax impact.

**The New York State Department of Taxation and Finance issued a Preliminary Report to the Governor on H.R.1, indicating that K-12 distributions may not be considered qualified distributions under New York statutes and may require recapture of any New York State tax benefits that accrued on contributions. NY 529 account owners in other states should seek guidance from the state in which they pay taxes.**

We are continuing to evaluate this new legislation and its tax impact in New York, and we encourage account owners to consult a qualified tax advisor about their personal situation. If you have any questions about New York's Advisor-Guided College Savings Program, you can speak with one of our service representatives by phone at 1-800-774-2108, Monday through Friday from 8 a.m. to 7 p.m., Eastern Time.

INVESTMENTS ARE NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

***Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.***

The Comptroller of the State of New York and the New York State Higher Education Services Corporation are the Program Administrators and are responsible for implementing and administering the Advisor-Guided Plan. **Neither the State of New York nor its agencies insures accounts or guarantees the principal deposited therein or any investment returns on any amount or investment portfolio.**

Ascensus Broker Dealer Services, Inc. and Ascensus Investment Advisors, LLC serve as Program Manager and Recordkeeping and Servicing Agent, respectively, and are responsible for day-to-day operations, including effecting transactions. J.P. Morgan Investment Management Inc. serves as the Investment Manager. J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co. JPMorgan Distribution Services, Inc. markets and distributes the Advisor-Guided Plan. JPMorgan Distribution Services, Inc. is a member of FINRA/SIPC.

New York's 529 College Savings Program includes two separate 529 plans. The Advisor-Guided Plan is sold exclusively through financial advisors who have entered into Advisor-Guided Plan selling agreements with JPMorgan Distribution Services, Inc. You may also participate in the Direct Plan, which is sold directly by the Program and offers lower fees. However, the investment options available under the Advisor-Guided Plan are not available under the Direct Plan. The fees and expenses of the Advisor-Guided Plan include compensation to the financial advisor. Be sure to understand the options available before making an investment decision.

***For more information about New York's 529 Advisor-Guided College Savings Program®, you may contact your financial advisor or obtain an Advisor-Guided Plan Disclosure Booklet and Tuition Savings Agreement at [www.ny529advisor.com](http://www.ny529advisor.com) or by calling 1-800-774-2108. This document includes investment objectives, risks, charges, expenses, and other information. You should read and consider it carefully before investing.***

The Program Administrators, the Program Manager and JPMorgan Distribution Services, Inc., and their respective affiliates do not provide legal or tax advice. This information is provided for general educational purposes only. This is not to be considered legal or tax advice. Investors should consult with their legal or tax advisors for personalized assistance, including information regarding any specific state law requirements.

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