

Tax Reform Update

H.R. 1 of the 115th Congress (the Tax Cuts and Jobs Act of 2017 or the “Act”) was signed into law in December 2017. The Act included provisions that allow 529 Plan account owners to withdraw Plan assets to pay for K-12 tuition expenses 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.

Under New York State law, distributions for K-12 tuition expenses are considered nonqualified withdrawals and will require the recapture of any New York State tax benefits that have accrued on contributions. NY 529 account owners in other states should seek guidance from the state in which they pay taxes. Rollovers of 529 Plan assets into ABLE Plan accounts are not considered taxable events for New York State tax purposes.

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 New York’s 529 Advisor-Guided College Savings Program (the “Advisor-Guided Plan”). Ascensus Broker Dealer Services, LLC (“ABD”) serves as Program Manager for the Advisor-Guided Plan. ABD and its affiliates have overall responsibility for the day-to-day operations of the Advisor-Guided Plan, including recordkeeping and administrative services. J.P. Morgan Investment Management Inc. serves as the Investment Manager. JPMorgan Distribution Services, Inc. markets and distributes the Advisor-Guided Plan. JPMorgan Distribution Services, Inc. is a member of FINRA.

No guarantee: None of the State of New York, its agencies, the Federal Deposit Insurance Corporation, J.P. Morgan Investment Management Inc., Ascensus Broker Dealer Services, LLC, JPMorgan Distribution Services, Inc., nor any of their applicable affiliates insures accounts or guarantees the principal deposited therein or any investment returns on any account or investment portfolio.

New York’s 529 College Savings Program currently includes two separate 529 plans. The Advisor-Guided Plan is sold exclusively through financial advisory firms 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 advisory firm. 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 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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