

MISSION: TUITION

Fund the college mission with tax refunds

Why invest your tax refunds?

Start or grow a college fund without disrupting your normal budget. When combined with automatic monthly contributions, it gives you the potential to save more for a loved one's education – and borrow less with expensive student loans.

Why a 529 college savings plan?

Defer taxes on investment earnings and withdraw them tax free to pay any qualified expense at any accredited college in the United States and overseas.¹

THE POWER OF TIME AND TAX REFUNDS: GROWTH OF 529 PLAN ACCOUNTS

Based on \$200 monthly contributions and \$3,000 annual investment of tax refunds



Source: J.P. Morgan Asset Management. Illustration assumes monthly contributions of \$200 and annual tax refund investments of \$3,000 for 6, 12 and 18 years. Chart also assumes an annual investment return of 6%, compounded monthly. Investment losses could affect the relative tax-deferred investing advantage. **This hypothetical illustration is not indicative of any specific investment.** Each investor should consider his or her current and anticipated investment horizon and income tax bracket when making an investment decision, as the illustration may not reflect these factors. These figures do not reflect any management fees or expenses that would be paid by a 529 plan participant. Such costs would lower performance. **The chart is shown for illustrative purposes only. Past performance is no guarantee of future results.**

¹ Earnings on non-qualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. Federal law allows distributions for tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private or religious school ("K-12 Tuition Expenses") of up to \$10,000 per beneficiary per year. Under New York State law, distributions for K-12 Tuition Expenses will be considered non-qualified withdrawals and will require the recapture of any New York State tax benefits that have accrued on contributions. Tax and other benefits are contingent on meeting other requirements, and certain withdrawals are subject to federal, state and local taxes.

NOT FDIC INSURED | NO BANK, STATE OR FEDERAL GUARANTEE | MAY LOSE VALUE

More tax filing strategies for college savers

Transfer taxable accounts

Moving taxable investments to a tax-advantaged 529 plan means not having to pay taxes on future earnings.

Invest state refunds too

As an added bonus, you may be able to directly deposit refunds into your 529 account and deduct those contributions from state income taxes.

New York families can directly invest their state tax refunds into their 529 Advisor-Guided Plan account. Consult a tax advisor for your specific situation.

Make gifts to grandkids

Grandparents taking required minimum distributions from retirement accounts can reinvest those funds into a 529 plan, if they don't need the money.

Take advantage of tax cuts and pay raises

If your take-home pay has gotten higher, consider directing some of those extra dollars to your 529 account each month.

LEARN MORE

Consult your financial advisor or visit www.ny529advisor.com



THE ADVISOR-GUIDED PLAN AT A GLANCE

Extensive investment choices

Choose from 1 age-based option, 6 asset allocation portfolios and 16 individual portfolios

Expert management

Team of 80+ professionals builds your portfolio, selects investments and makes adjustments as markets change over time

Broad diversification

Access to investments not often found in 529 plans to enhance return potential and manage risk

New York state tax deductions

Deduct up to \$5,000 in Plan contributions each year, or \$10,000 if married filing jointly¹

¹ Available to account owners who are New York taxpayers only. Deductions may be subject to recapture in certain circumstances, such as rollovers to another state's plan; distributions for K-12 Tuition Expenses or other non-qualified withdrawals.

NOT FDIC INSURED | NO BANK, STATE OR FEDERAL 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 serves as Program Manager for the Advisor-Guided Plan. Ascensus Broker Dealer Services, LLC 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. J.P. Morgan Asset Management is the marketing name for the asset management business of JPMorgan Chase & Co. 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.

February 2020

529-TAXREFUND