

# Invest tax refunds to boost college savings

## Why invest your tax refund?

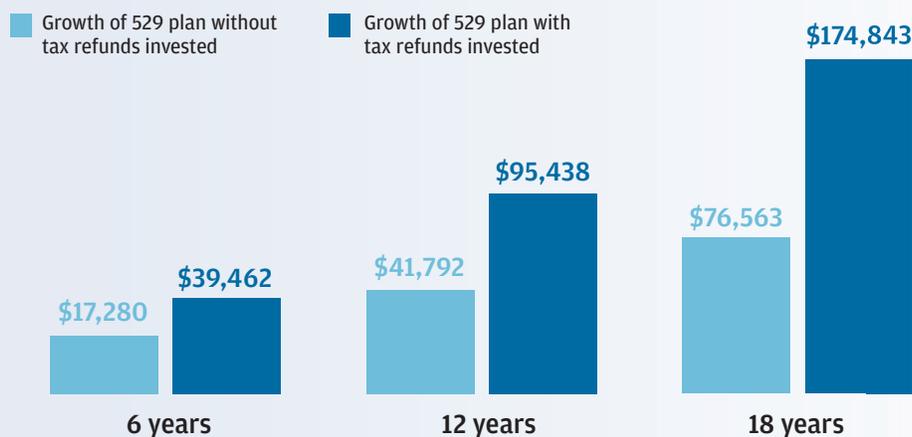
Start or grow a college fund without disrupting your normal household budget. When combined with monthly contributions, it may result in more money for a loved one's education – and less need for costly student loans.

## Why a 529 college savings plan?

A 529 plan grows tax-deferred and may be withdrawn tax-free to help pay any qualified expense at any accredited college in the United States and overseas – with little or no impact on financial aid eligibility.<sup>1,2</sup>

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

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



Source: J.P. Morgan Asset Management. Illustration assumes an initial investment of \$3,000, 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%. 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.**



<sup>1</sup> 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. Tax and other benefits are contingent on meeting other requirements, and certain withdrawals are subject to federal, state, and local taxes.

<sup>2</sup> The federal and non-federal financial aid program treatment of assets in a 529 Plan are subject to change at any time. You should therefore check and periodically monitor the applicable laws and other official guidance, as well as particular program and institutional rules and requirements, to determine the impact of 529 Plan assets on eligibility under particular financial aid programs.

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

# More tax-filing strategies for college savers

## ✔ Transfer taxable accounts

Does your federal return (Form 1040) include any taxable interest (line 8a), dividends (line 9a) or capital gains (line 13)? Moving taxable investments to a tax-deferred 529 plan means any future earnings don't have to be reported each year.

## ✔ Invest state refunds too

As an added bonus, contributions to a 529 plan may be deductible from state income taxes, depending on where you live.

## ✔ Make gifts to grandkids

Grandparents required to take withdrawals from retirement accounts can move those funds into a 529 plan if they don't need the money (Form 1040, lines 15a and 16a).

### LEARN MORE

Consult your financial advisor or visit [www.ny529advisor.com](http://www.ny529advisor.com)

## THE ADVISOR-GUIDED PLAN AT A GLANCE

### • Extensive investment choices

Choose from 1 age-based option, 7 asset allocation portfolios and 15 individual portfolios

### • Expert management

100+ professionals build your portfolios, select investments and make adjustments 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 jointly<sup>3</sup>

<sup>3</sup> Available to account owners only. Deductions may be subject to recapture in certain circumstances, such as rollovers to another state's plan or non-qualified withdrawals.

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**Before you invest, consider whether your or the beneficiary's home state offers any state tax or other benefits 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.**

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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.**

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