

Get the facts about financial aid

It's true that financial aid can help make college more affordable. But it's important to understand the myths about how the system works, what types of aid are available and what it all means to your college savings plans.

How does financial aid work?

Financial aid is designed to fill the gap between what college costs and what you are expected to pay based on your family's financial situation.

TOTAL COLLEGE COSTS EACH YEAR	−	EXPECTED FAMILY CONTRIBUTION (EFC)	=	FINANCIAL AID NEEDED
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How is the Expected Family Contribution determined?

The U.S. government calculates EFC based mostly on a family's income, which includes the student's income. Savings and investments count far less in the formula, especially when held in parents' names.

CALCULATING EXPECTED FAMILY CONTRIBUTION¹

PARENTS Income: 22%–47% of adjusted gross income above protected amount ² <i>plus</i> Assets: Up to 5.64% of non-retirement assets above protected amount, including 529 plans, investments and savings	+	STUDENT Income: 50% of income above \$6,570 <i>plus</i> Assets: 20% of all assets in bank accounts, CDs, UGMAs/UTMAs and any other savings	=	TOTAL EXPECTED FAMILY CONTRIBUTION
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GRANDPARENTS/OTHERS

0% of income and assets considered in federal financial aid formulas. However, withdrawals for college by grandparents or others may be considered student income and must be reported on financial aid forms two years later. Such income can reduce the amount of aid by 50%.

What is my Expected Family Contribution?³

Find the point where your income and assets intersect to see your estimated EFC, the number colleges use to determine how much federal aid you're eligible to receive.

COMBINED INCOME	ASSETS (EXCLUDING PRIMARY RESIDENCE AND RETIREMENT ACCOUNTS)			
	\$50,000	\$100,000	\$200,000	\$300,000
\$75,000	\$8,388	\$11,084	\$16,724	\$22,364
\$100,000	\$16,545	\$19,365	\$25,005	\$30,645
\$150,000	\$31,592	\$34,412	\$40,052	\$45,692
\$200,000	\$46,909	\$49,729	\$55,369	\$61,009
\$250,000	\$61,608	\$64,428	\$70,068	\$75,708

¹ Based on federal methodology for 2018-19 school year.

² Protected amount for parents is dependent upon a number of factors, including household size and number of students in college.

³ J.P. Morgan Asset Management and Fafsa.ed.gov. Based on two-parent household with one child attending college, one child living at home, all are residents of New York. Assumes no income or assets for each dependent and age 49 for eldest parent. Protected amounts for assets vary based on age and income. These are estimates provided for illustrative purposes only, and they may not be representative of your personal situation and circumstances.

Apply for financial aid as early as October 1 each year

Financial aid is usually awarded on a first-come, first-served basis. For each year of college, apply for federal aid as early as October 1 of the year before classes begin, using income and tax information from two years before.

Tax year associated with FAFSA filing

For student starting college in 2020¹

	FRESHMAN	SOPHOMORE	JUNIOR	SENIOR
COLLEGE YEARS	2020–2021	2021–2022	2022–2023	2023–2024
FAFSA FILING YEAR	2019	2020	2021	2022
INCOME TAX YEAR	2018	2019	2020	2021

¹ FAFSA (Free Application for Federal Student Aid).

LEARN MORE ABOUT THE 529 ADVISOR-GUIDED PLAN

Consult your financial advisor • Visit www.ny529advisor.com • Call 1-800-774-2108

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 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. JPMorgan Distribution Services, Inc. markets and distributes the Advisor-Guided Plan. JPMorgan Distribution Services, Inc. is a member of FINRA.

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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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529-FINAID

New York's 529
Advisor[↑]Guided[↓]
 College Savings Program

J.P.Morgan
 Asset Management

Financial aid myths and facts



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MYTH: Financial aid is “free money”

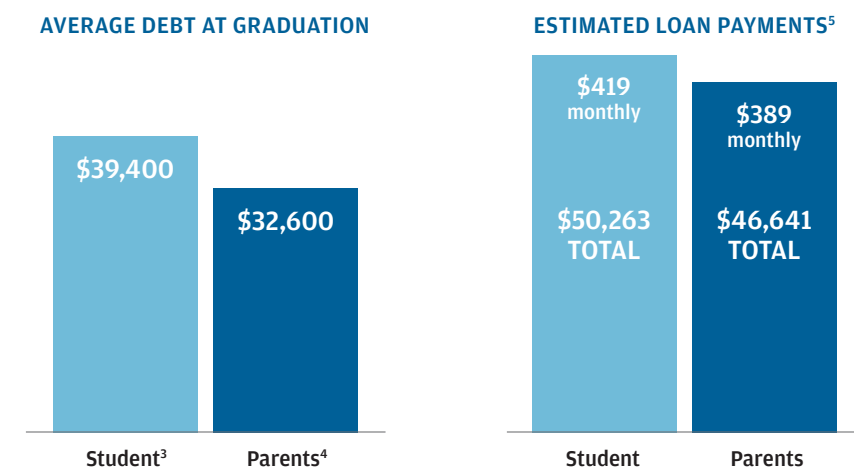
It's true that grants are free gifts for college, but they make up just 57% of all financial aid. Another 34% comes from federal student loans that must be paid back with interest for as long as 10 years or more after graduation.¹ One way to ease that debt burden is to save for college now.

The downside of borrowing for college

College costs more when you borrow instead of save because you're *paying* interest rather than *earning* interest. In addition, the cost of repaying student loans can jeopardize other financial goals and saddle family members with large monthly bills when they can least afford it:

- Recent graduates still seeking full-time jobs or earning low salaries
- Parents approaching and entering their retirement years

Save for college to ease the debt burden



¹ The College Board, *Trends in Student Aid 2018*. Data are for 2017-18 school year.

² FinAid.org. Based on full-time students at four-year colleges.

³ Student Loan Hero, Private Student Loans Guru, 2017.

⁴ Savingforcollege.com, 2016. Based on federal Direct PLUS loans.

⁵ J.P. Morgan Asset Management. Based on data from Student Loan Hero (2017), Savingforcollege.com (2016) and Studentaid.ed.gov (2018). Loan payments assume 5.05% and 7.6% interest rates for student and parent loans, respectively, and 10-year repayment periods.

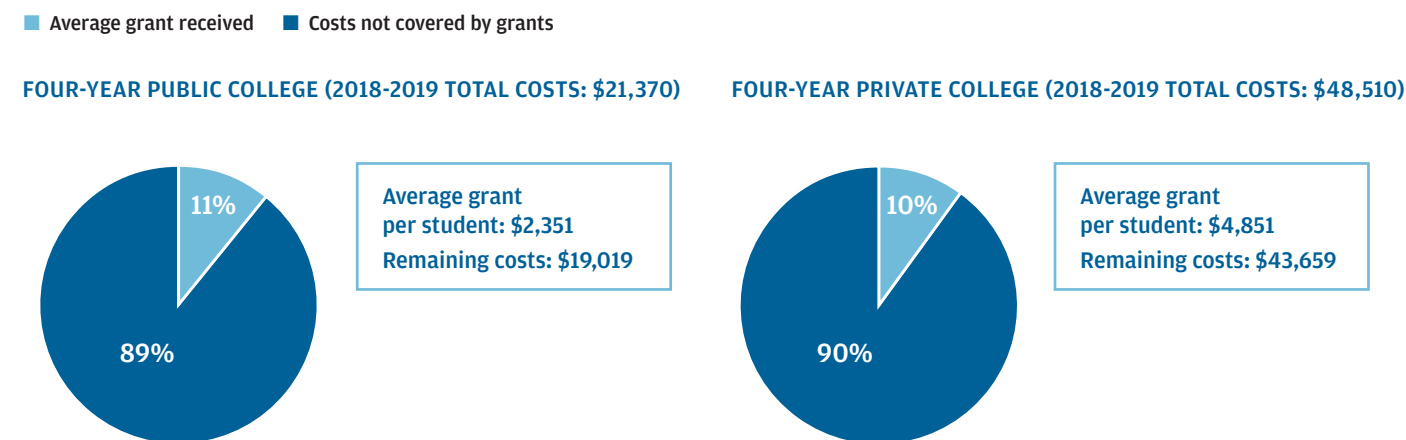
MYTH: I'll qualify for need-based aid

Most people expect free financial aid, but only slightly over half (56%) actually receive need-based grants.¹ The fact is, even middle-class families often earn too much to qualify. The good news: A 529 college savings plan is one of the most tax-efficient ways to invest and pay for college when financial aid doesn't.

Grants cover only a fraction of college costs

Even if you qualify for need-based grants, they will likely pay only a small percentage of the total costs. To make up the difference, families that haven't saved enough must often decide between taking out expensive loans or choosing more affordable schools.

Prepare for the costs not covered by grants²



¹ Sallie Mae, *How America Pays for College 2018*.

² Sallie Mae, *How America Pays for College 2018*. Total costs include tuition, fees, room and board.

MYTH: Saving will hurt my chances for financial aid

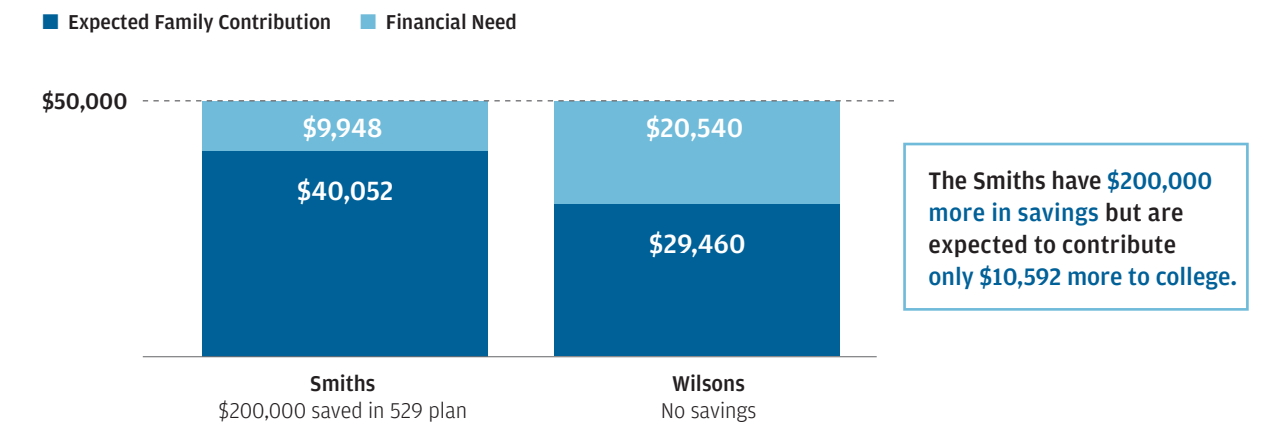
Savings actually count far less than income when calculating federal financial aid. As much as 47% of parents' income may be factored into the formula,¹ while a much smaller percentage of their savings is considered – even when earmarked specifically for college.

529 plans have little impact on financial aid

In addition to tax efficiencies, 529 plans offer valuable financial aid advantages over other college savings vehicles. When a 529 account is owned by parents, it has much less impact on federal financial aid eligibility than custodial accounts like UGMAs/UTMAs or student-owned CDs, savings and investments.

Big difference in college savings, little difference in financial aid²

Compare the Expected Family Contribution for two families earning the same income and sending a child to the same college costing \$50,000 per year.



¹ Based on federal methodology for 2018-19 school year.

² J.P. Morgan Asset Management and Fafsa.ed.gov. Based on two-parent household with one child attending college, one child living at home, all are residents of New York. Assumes no income or assets for each dependent and age 49 for eldest parent. Protected amounts for assets vary based on age and income. Assumes both families earn \$150,000 annually and the 529 plan is owned by the parents. These are estimates provided for illustrative purposes only, and they may not be representative of your personal situation and circumstances.

