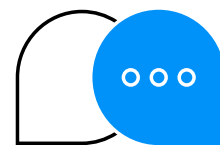


# FAQs for financial professionals

## Opening and managing 529 accounts through employers



As an employee benefit, **New York's 529 Advisor-Guided College Savings Program®** offers simple, low-cost administration for employers across the U.S., along with tax-advantaged investing at NAV for participants. These FAQs can help you understand the process, advise clients and capture the planning opportunities.

### General questions

#### How do financial professionals benefit?

The Advisor-Guided 529 Plan can increase the value you bring to corporations, small business owners and retirement plan sponsors. It also gives you access to employees and their assets both inside and outside the 529 account.

#### How do employers benefit?

A 529 plan can improve employee benefits, morale, retention and recruiting – with no start-up costs, recordkeeping expenses, annual tax filings or fiduciary responsibilities for the employer. One simple form is all it takes to get started.

#### How do employees benefit?

A 529 plan offers tax-deferred growth potential and tax-free withdrawals for qualified education expenses.\*

As part of a group plan, employees can buy Class A units without sales charges to put more money to work for college. The added benefits of investing at NAV are not available if employees open 529 accounts on their own.

#### How are you compensated?

You receive a 25-basis-point immediate trail payment on the total assets under management. There is no finder's fee or upfront commission.

#### Will you receive any participant information?

Yes. You can access all statements, confirmations and account information via the 529 QuickView portal. Register at [www.529quickview.com](http://www.529quickview.com).

#### What employers are eligible? Which employees receive special NAV pricing?

Any employer with a valid tax ID is eligible. All group plan participants qualify for NAV pricing. The Plan is sponsored by the state of New York, but available nationwide.

#### Is there a minimum number of employees required for a group plan?

No. Unlike some plans, the Advisor-Guided 529 Plan does not require a minimum number of participants.

#### Does the employer have any fiduciary responsibilities (i.e., ERISA)?

No. Unlike a retirement plan, the employer does not have any fiduciary responsibilities.

#### What happens if an employee leaves the company?

The employee would remain eligible for NAV pricing. If the employee had been using payroll direct deposit, a new contribution method must be chosen.

\* 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. New York State tax deductions may be subject to recapture in certain additional circumstances such as rollovers to another state's 529 plan and withdrawals used to pay elementary or secondary school tuition as described in the Disclosure Booklet and Tuition Savings Agreement. State tax benefits for non-resident New York taxpayers may vary. Tax and other benefits are contingent on meeting other requirements. Please consult your tax professional about your particular situation.

## How to establish an employer group 529 plan

**Is a financial professional needed to set up a group plan?**

Yes. Both you and the employer contact must sign the *Employer Group Verification Form* to set up a plan and establish a Group ID. You must also sign the *Enrollment Application* for each participating employee.

**How do you establish a group plan?**

1. You and the employer contact complete and sign the *Employer Group Verification Form* (order code 529-F-EMPGRP).
2. Return the *Employer Group Verification Form* and any other required documents to the appropriate address listed on the form and at the end of these FAQs.
3. After the documents are processed, you will receive the employer's assigned Group ID. This ID must appear on all completed *Enrollment Applications* to ensure NAV pricing for employees.

*Certain dealers have additional requirements. Check with your home office for details.*

**How long does it take to set up a group plan?**

We create the Group ID within three business days after receiving the *Employer Group Verification Form*. However, you can enroll employees simultaneously by submitting completed *Enrollment Applications* along with the *Employer Group Verification Form*.

**How will you be notified that a Group ID has been assigned?**

We will call you with the Group ID and mail a written confirmation.

**Who should you call if notification is not received?**

Call 1-800-774-2108 between 8am and 6pm Eastern time, Monday through Friday.

**Can an employer work with multiple financial professionals to offer a group plan?**

Yes. An employer can work with multiple financial professionals. A separate Group ID is assigned to each financial professional for their respective share of the business. However, employers cannot change the financial professional of record on employee accounts. Employees work directly with the financial professional who manages their relationship.

## Payroll direct deposit and other contributions

### Is payroll direct deposit mandatory?

No. While many employees find it easiest to contribute via payroll direct deposit, they can also fund accounts with checks, automatic investment plans, electronic bank transfers or rollovers from another 529 plan.

### What's the process for contributing through payroll direct deposit?

#### 1. To set up payroll direct deposit:

**New accounts:** On the *Enrollment Application*, employees select payroll direct deposit in Section 9.

**Existing accounts:** Employees either complete and mail a *Payroll Direct Deposit Form* (529-F-PDD) or set up direct deposit online at [www.ny529advisor.com](http://www.ny529advisor.com).

#### 2. After the payroll direct deposit request is received and processed:

**Paper forms:** Within one to two business days, a *Payroll Deduction Form* is mailed to employees for their signature and submission to the payroll department.

**Online:** The *Payroll Deduction Form* can be printed immediately, signed by the employee and then submitted to the payroll department.

The *Payroll Deduction Form* lists the ABA routing number and 529 account number. Employees work with their payroll department to set up the 529 account as a direct deposit. The process is similar to establishing direct deposit to a checking account.

### How will the employer's payroll representative be notified of new employee account openings?

There's no need to notify payroll representatives of new participants unless payroll direct deposit is chosen. In that case, the employee must notify the payroll representative to arrange contributions to the 529 account.

Our *Payroll Deduction Form* provides all the necessary ACH information. Some employers may have an automated process that allows employees to initiate direct deposits with the information on the form.

### How can employees change their payroll deduction amount?

Employees can change their payroll deduction amount in two ways:

**Online:** Employees can access their account at [www.ny529advisor.com](http://www.ny529advisor.com). From there, they can change the dollar amount and print an updated *Payroll Deduction Form* to sign and submit to the payroll department.

**By phone:** Employees can call 1-800-774-2108 to request that an updated *Payroll Deduction Form* be mailed to them. They would then sign the form and submit it to the payroll department.

### How do participants make electronic or lump-sum contributions?

Electronic bank transfers can be scheduled online at [www.ny529advisor.com](http://www.ny529advisor.com). Checks should be mailed to the appropriate address (see last page).

## Enrollment and marketing

### How is enrollment handled?

You are responsible for establishing the group plan, conducting educational meetings and enrolling employees. J.P. Morgan provides supporting marketing materials and required forms.

### What marketing materials are available?

To help you get started, we've developed the following materials:

- Employer guide (529-EG-EMPLOYER)
- Employee guide (529-EG-EMPLOYEE)
- Group plan marketing kit that includes both the employer and employee guides and all required forms (529-GROUPKIT)

### Can employer logos be added to enrollment materials?

No. Company logos cannot be included on Plan materials.

### How can you order group plan literature or other marketing materials?

Simply call 1-800-774-2108 between 8am and 6pm Eastern time, Monday through Friday.



#### For more information

##### Contact your J.P. Morgan representative

Call 1-800-774-2108, 8am-6pm ET, M-F



#### Important mailing addresses

**Regular mail:** New York's 529 Advisor-Guided College Savings Program  
P.O. Box 55498 | Boston, MA 02205-5498

**Overnight mail:** New York's 529 Advisor-Guided College Savings Program  
95 Wells Avenue, Suite 155 | Newton, MA 02459

*For more information about New York's 529 Advisor-Guided College Savings Program, you may contact your financial professional 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.*

*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.

The Advisor-Guided Plan is offered through financial intermediaries, including broker-dealers, investment advisers and firms that are registered as both broker dealers and investment advisers and their respective investment professionals. Broker-dealers and investment advisers are subject to different standards under federal and state law when providing investment advice and recommendations about securities. Please ask the financial professional with whom you are working about the role and capacity in which their financial intermediary acts when providing services to you or if you have any questions in this regard.

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.

If you are a person with a disability and need additional support in viewing the material, please call us at 1-800-774-2108 (M-F, 8 a.m. – 6 p.m. ET) for assistance.

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