

Expanding your voluntary benefits
package with

New York's 529
College Savings Program



Andrew M. Cuomo, Governor
Thomas P. DiNapoli, State Comptroller

A Partnership for New York

**Higher Education Services
Corporation (HESC)**

**New York State
Governor**



**Office of the State
Comptroller (OSC)**

**New York State
Comptroller**



**Program Management
By:**

**Upromise
Investments, Inc.**



**Investment Management
By:**

**The Vanguard
Group, Inc.**



Federal and State Tax Considerations

Only 529 program to offer New York taxpayers a State tax deduction*

- Can deduct up to \$5,000 of contributions on New York State income tax return (\$10,000 for married couples filing jointly)
- Includes incoming rollovers (not previously deducted) and Upromise® rewards transferred to a *Direct Plan* account

Federal and State income tax-deferred growth

- Earnings grow federal and State income tax deferred until withdrawn

*Contributions to the Direct Plan or Advisor Plan in a tax year are deductible from New York state income tax, subject to recapture in certain circumstances - rollovers to another state's plan or nonqualified withdrawals.



Federal and State Tax Considerations

Federal and State income tax-free if used for qualified withdrawals for higher education*

- Withdrawals for tuition, fees, certain room and board, books, and required supplies
- Any qualifying post-secondary institution in the U.S., including public and private colleges and universities, 2- and 4-year programs, and vocational schools

*Earnings on nonqualified 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.



Low Fees, Low Minimums, and High Maximum

Low Management Fees

- 0.17% of your investment annually (no other fees)

Low Minimum Contribution Amounts

- \$25 minimum for initial and ongoing contributions (EFT or check)
- \$25 minimum for AIP (bi-monthly, monthly, quarterly)
- \$15 for contributions made through payroll deduction

High Maximum Contribution Limit

- Contribute until the total balance of all Program accounts for the same beneficiary reaches an aggregate maximum, which is currently \$375,000 (earnings can continue to accrue after reaching the maximum)



Professional Investment Management by Vanguard

One of the Most Trusted Investment Management Companies



- Largest pure no-load mutual fund company in the world
- Approximately \$2 trillion in assets under management (as of Jan 2, 2013)
- Commitment to high-value, low-cost investing and client service
- Commitment to “plain talk” with customers

16 Vanguard Investment Options for the Program

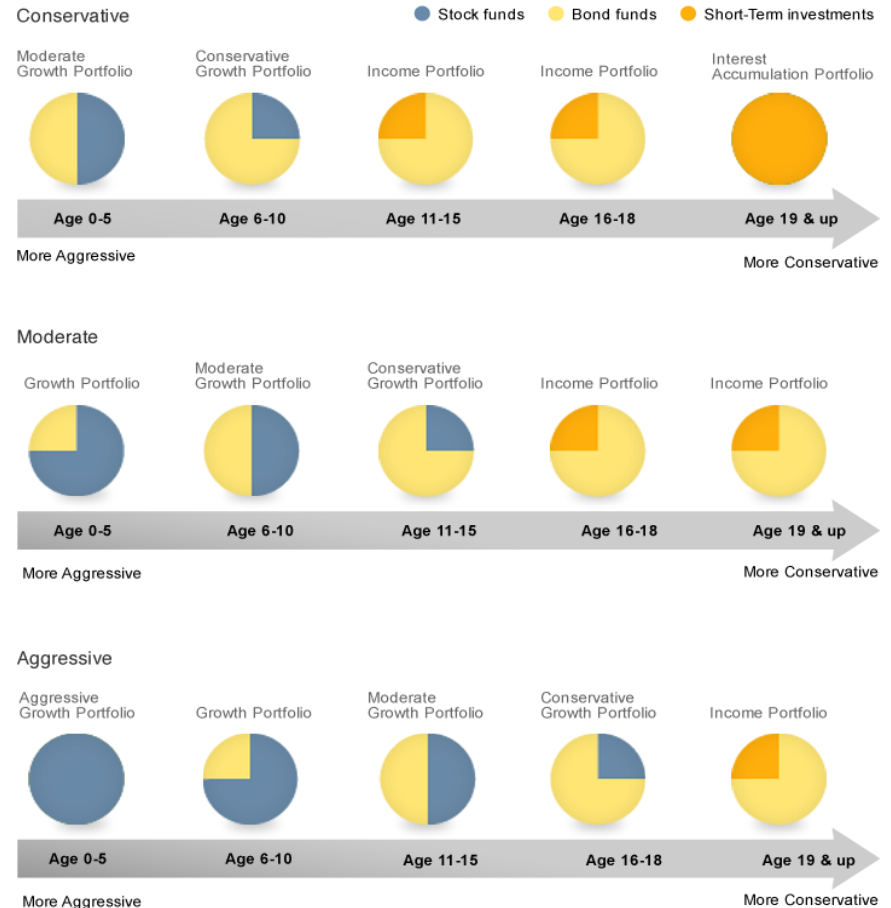
- 3 age-based options and 13 individual portfolios
- Choose up to 5 investment options per account
- Reallocate among investments once per calendar year or when you change beneficiaries
- Vanguard education investment specialists available to help



3 Age-Based Vanguard Investment Options

- Conservative, moderate, and aggressive options
- Contributions are invested according to your risk tolerance and the age of your beneficiary
- As your beneficiary ages, your assets are automatically shifted to more conservative investments to seek to protect your capital

Note: Portfolios with higher allocations to bonds and short-term investments tend to be less volatile than those with higher stock allocations. Less volatile portfolios generally may not decline in value as much when markets decline, but also may not appreciate in value as much when markets go up.



13 Vanguard Individual Portfolios

Choose from among these options if you wish to be more aggressive or more conservative than the age-based options allow.

Unlike the age-based options, your allocation among individual portfolios will remain fixed until you instruct the Program to change it.

Investments returns are not guaranteed, and you could lose money by investing in the plan.

6 Stock Portfolios (100% stock funds)

Aggressive Growth Portfolio	Mid-Cap Stock Index Portfolio
Developed Markets Index Portfolio	Small-Cap Index Portfolio
Growth Stock Index Portfolio	Value Stock Index Portfolio

3 Balanced Portfolios (mix of stock & bond funds)

Conservative Growth Portfolio	Moderate Growth Portfolio
Growth Portfolio	

3 Bond Portfolios (mix of bond & short-term funds)

Bond Market Index Portfolio	Income Portfolio
Inflation-Protected Securities Portfolio	

1 Interest Accumulation Portfolio (100% short-term investments)



No Guarantee & Other Important Program Disclosure

All investments are subject to risk. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Foreign investing involves additional risks including currency fluctuations and political uncertainty. Stocks of companies in emerging markets are generally more risky than stocks of companies in developed countries. Investments in bond portfolios are subject to interest rate, credit, and inflation risk.

The Income Portfolio and Interest Accumulation Portfolio both invest in the Vanguard Short-Term Reserves Account which, in turn, invests in Vanguard Prime Money Market Fund. The Vanguard Short-Term Reserves Account's investment in Vanguard Prime Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although a money market fund seeks to preserve the value of an investment at \$1 per share, it is possible that the Vanguard Short-Term Reserves Account will lose money by investing in such a fund.



Why Offer Payroll Deduction?

- **Make saving for college easy & convenient for your employees.**
- **No cost to employer.**
- **Simple to administer and no additional reporting.**
- **Complements other Employer-Sponsored Savings Programs.**
- **A great value-added Voluntary Benefit.**
- **We're at your service to provide onsite Educational Seminars and attend Employee Benefit Fairs.**



Setting Up Payroll Deduction

Two methods of payroll deduction:

- ACH direct deposit – similar to facilitating electronic direct deposit of a paycheck into an employee's bank account through the ACH network*
- Check and roster – a lump-sum amount for all employees is sent by check each pay period along with a roster of contribution instructions for each employee

These rules apply to your employees:

- Employee is responsible for establishing account, authorizing payroll deduction and notifying the Program and employer of any changes
- All contributions made through payroll deduction are after-tax
- The minimum contribution in each pay period is \$15 per account
- The employee must be the account owner to contribute

***The *Payroll Deduction Authorization* form is the only paperwork you need to manage the payroll deduction process!**



Online enrollment and account access

- Takes less than 10 minutes for employees to enroll online
- Reduced paperwork for human resource/benefits/payroll office
- Payroll can submit a single dollar amount per employee, regardless of the number of beneficiaries or investment options
- Employees can easily manage their accounts online
- Paper Payroll Deduction Instruction Form also available by mail

Step 1. (FOR EMPLOYEES): Complete this form and return to your employer Please print this page, sign it, include your Social Security number and the date, and submit it to the HR, benefits, or payroll representative responsible for administering payroll deduction contributions to the Program. Your employer will initiate or change your payroll deduction after they receive this form.		
Employee Name:	Sample Employee	
Total amount to be deducted per pay period:	\$0.00	
Employee Signature	Employee SSN	Date
Step 2. (FOR EMPLOYERS): Establish Payroll Deduction Instructions on Your Payroll System When updating ACH direct deposit instructions for this employee, please make sure that you provide the following information with your transmittal:		
1. ABA Number	011001234 (Mellon Bank)	
2. Account Number	531 +[9 digit account #]	
3. Code Transmittal for Checking		
For Employers Transmitting Funds by Check If you are submitting payroll deduction contributions by check, please mail the check to the appropriate address below, along with a corresponding list containing the name, account number, and contribution amount for each participating employee:		
By U.S. mail: New York's 529 College Savings Program Direct Plan P.O. Box 55440, Boston, MA 02205-8323	By registered, certified or overnight mail: New York's 529 College Savings Program Direct Plan 95 Wells Avenue, Suite 155, Newton, MA 02459-3204	
If you have any questions, please call 1-877-NYSAVES (1-877-697-2837) on business days from 8 a.m. to 9 p.m., Eastern time.		

Not actual size



Additional Savings with Upromise[®] rewards



Upromise is a service that is free to join & can add money to your 529 plan

- Members have earned over \$670,000,000

It's easy to get started

1. Join Upromise for free at www.ny529atwork.com
2. Link your Direct Plan account to your Upromise account on upromise.com
3. You can earn money back for college when you buy gas, eat out, shop online, buy groceries, book travel and much more
4. You can automatically have the money in your Upromise account be transferred on a periodic basis to your Direct Plan (subject to a \$25 minimum transfer amount)

Hundreds of America's leading companies can help you save for college



...and many more

*Upromise rewards service is an optional program and is separate from New York's College Savings Program. Specific terms and conditions apply for each company's contributions. Participating companies, contribution levels, terms and conditions subject to change without notice. For more information, go to Upromise.com



Online shopping rewards



- ▶ Shopping online through Upromise provides members the second largest earnings opportunity for customers with 1-25% cash back
- ▶ You can earn a big 5% or more cash back on eligible online purchases through Upromise – an enhancement recently made to our program to help members earn FASTER
- ▶ Many merchants offer increased bonus rewards and unique offers that are exclusive to the Upromise member base
- ▶ Many of the largest brands participate in the program – walmart.com, target.com, gap.com, apple.com, etc. and some merchants now offer ship-to-store so members have the freedom to purchase online to earn Upromise cash back, but pick up in store at their leisure
- ▶ **How Does it Work?**
 - Members visit upromise.com/shop
 - They can search by a specific merchant or product to find a great price
 - Once they click through to the merchant site via upromise.com and complete an eligible transaction on the merchants site, their Upromise account will be credited, with exact timeframes for posting depending on the merchant
 - It is not necessary to have any registered cards to earn rewards with Upromise online shopping



You can earn 5% cash back for college, every day
800+ partners now help you earn more on eligible online purchases through Upromise. [▶ SHOP NOW](#)



Dining Program



With the Upromise Dining Program, you can earn up to 8% cash back at thousands of participating restaurants.

In the Upromise Dining Program, there are four Dining Status levels, each with a different cash back earning rate. You begin every calendar year at Bronze Status and can work your way up to Platinum as your dining purchases add up.



How it works:

- Register your credit/debit cards to your Upromise account – it only takes a moment!
- Dine at a participating restaurant when cash back is awarded – our site will help you choose from thousands of restaurants nationwide, from family-friendly to fine dining.
- Pay with a registered card. You'll earn on your entire bill – meals, drinks, tax, and tip!



Grocery Program

Upromise
BY SallieMae



Nothing to clip, nothing to print – Get cash back for college at your favorite grocery stores!

- The Upromise grocery program gives members the opportunity to earn cash back for college on every day purchases.
- Activate eCoupons and link them to your registered loyalty card, and save for college into your Upromise account once you make an eligible purchase.
- Participating stores include Stop & Shop, Price Shopper, Wegmans, CVS, and many more.
- Many coupons are only available in limited quantities, so it helps to check our grocery pages often for the best deals.

Marie's® Salad Dressing



\$1.25

Buy any 2 Marie's® Salad Dressings, Save \$1.25

Expires 8/18/2012
One time use only

[+ Select eCoupon](#)

Charmin Sensitive



\$1.00

Buy 1 Charmin Sensitive, Save \$1.00 for College

Expires 8/1/2012
One time use only

[+ Select eCoupon](#)

Charmin Ultra Soft or Ultra Strong MegaRoll




\$1.00

Buy 1 Charmin Ultra Soft or Ultra Strong MegaRoll, Save \$1.00 for College

Expires 8/1/2012
One time use only

[+ Select eCoupon](#)

Yoplait® Cups




40¢

Save 40¢ when you buy SIX CUPS (6) any variety Yoplait® Yogurt (Includes Original, Light, Thick & Creamy, ...)

Expires 7/31/2012
One time use only

[+ Select eCoupon](#)

Bisquick®




50¢

Save 50¢ when you buy ONE 20 oz or larger Original Bisquick® OR Bisquick Heart Smart® Baking Mix, OR 10.6 ...

Expires 7/31/2012
One time use only

[+ Select eCoupon](#)

General Mills Fruit Flavored Snacks



50¢

Save 50¢ when you buy TWO BOXES (2) any flavor/variety Ocean Spray®, Mott's® OR Sunkist® Fruit ...

Expires 7/31/2012
One time use only

[+ Select eCoupon](#)

No Guarantee & Other Important Program Disclosure

If you or the beneficiary are a resident or taxpayer of another state, before you invest consider whether your or the beneficiary's home state offers a 529 plan with tax or other benefits that are available only for investments in that plan. You should consult your tax advisor.

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 *Direct Plan*. Upromise Investments, Inc. serves as the Program Manager and has overall responsibility for the day-to-day operations, including effecting transactions and, in certain circumstances, assisting Vanguard Marketing Corporation, an affiliate of The Vanguard Group, Inc., with marketing and distribution of the Plan. The Vanguard Group, Inc. Serves as Investment Manager for the *Direct Plan* and, in certain circumstances, assists Upromise Investments, Inc. with other administrative services. Vanguard Marketing Corporation markets and distributes the *Direct Plan*.



No Guarantee & Other Important Program Disclosure

No guarantee: None of the State of New York, its agencies, the Federal Deposit Insurance Corporation (FDIC), The Vanguard Group, nor Upromise Investments, Inc., nor any of their affiliates, insures accounts or guarantees the principal deposited therein or any investment returns on any account or investment portfolio. The value of your account will vary based on market conditions and the performance of the investment options you select, and may be more or less than the amount you deposited.

New York's 529 College Savings Program currently includes two separate 529 plans. The *Direct Plan* is sold directly by the Program. You may also participate in the *Advisor Plan*, which is sold exclusively through financial advisors and has different investment options and higher fees and expenses as well as financial advisor compensation.



We're Here to Help You!!

- **Ginger Romero Pardlo – (718) 443-8065**
Institutional Relationship Manager
Available to meet with you and your employees to provide education on the Program
- **Employer Support Group – (888) 601-5100** Available to answer any technical questions that you might have on submitting and processing your payroll deduction contributions



We're Here to Help!!

- Visit www.ny529atwork.com to learn more about the Program, request an information kit, and even enroll online.
- Call **1-800-420-8580** to speak with a Program representative at Vanguard. Monday through Friday, 8 a.m. to 9 p.m.

New York's 529 College Savings Program *Direct Plan* is described in the current applicable Program Brochure and Tuition Savings Agreement. Accounts are opened by completing an Enrollment Form. Call 1-800-420-8580 or visit www.ny529atwork.com to obtain a Program Brochure and Tuition Savings Agreement, which includes investment objectives, risks, charges, expenses and other information; read and consider them carefully before investing. Vanguard Marketing Corporation, Distributor and Underwriter.

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Terms and conditions apply to the Upromise service.

Go to upromise.com to learn more



We're Here to Help You!!

