

# Prepare for an even bigger adventure with College Savings Iowa



They grow up fast.  
Plan now for  
their tomorrow.





Thank you for your interest in offering College Savings Iowa® as an investment plan for your employees. It's easy for you to administer and flexible enough to meet your business objectives. Consider these benefits:

**It's free.** The service costs you nothing to establish or maintain.

**There's no paperwork for you.** You don't have to do any tax reporting for this program. Employees manage their own accounts, which means one less item on your to-do list.

**It's a great value for your employees.** Saving for a loved one (a child, grandchild, other relative, or friend) in a 529 account can have many advantages, including:

- *Generous tax savings.* Withdrawals are free from both federal and Iowa state income taxes when used to pay for qualified higher-education expenses.\* Iowa taxpayers also receive generous deductions from their state income tax.\*\*
- *Multiple investment choices.* One of the world's largest and most respected global investment management companies, Vanguard, designed a total of 14 investment options exclusively for our plan.
- *Low minimum contributions.* Employees can contribute as little as \$15 per pay period, per account, through Automated Clearing House (ACH) direct deposit.

To learn more about the plan, review the Program Description, which you can obtain online at [www.myiowaplan.com](http://www.myiowaplan.com). Or call us toll-free at 888-332-4984 on business days from 8 a.m. to 9 pm., Eastern time.

Again, thank you for your interest in College Savings Iowa. We look forward to serving you and your employees.

Sincerely,

College Savings Iowa

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\*The earnings portion of nonqualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

\*\*If withdrawals are not qualified, the deductions must be added back to Iowa taxable income. Adjusted annually for inflation.

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

# Why payroll deduction makes good business sense

You can make saving for college easy and convenient for your employees by offering payroll deduction contributions to the College Savings Iowa 529 Plan. It doesn't cost you anything, and it offers your employees a value-added benefit.

In addition, the plan is simple to administer and can make your 401(k) and other employer-sponsored savings programs easier to manage. For example, rather than requesting withdrawals or loans from a 401(k) to pay college expenses—tasks that may require considerable time and effort on your part—your employees can simply withdraw the money directly from their College Savings Iowa accounts.

## Setting up payroll deduction

Employers can send contributions by ACH direct deposit. It's just like directly depositing a paycheck into an employee's bank account on a regular basis, except that contributions are directed to the employee's 529 plan account.

- The minimum contribution each pay period is \$15 per account.
- All contributions made through payroll deduction—just as with any other plan contribution—are *after-tax*.
- The employee must be the account owner to contribute.
- The employee is responsible for notifying both College Savings Iowa and you, the employer, of any changes to his or her payroll deduction instructions.

## We're here to help your employees

Once you set up the program, we'll take care of the rest. All employees who join the plan will have a number of services available to them, such as:

- **Online account inquiry and maintenance.**  
Your employees can visit us online to set up or change their payroll deduction instructions and perform many other common transactions. They can also view information about their plan accounts, such as current balance and investment returns. We're just a click away at [www.myiowaplan.com](http://www.myiowaplan.com).

- **Expert assistance.**

Education investment specialists from Vanguard stand ready to provide assistance to your employees on topics such as completing forms, understanding the plan's menu of 14 investment options, and changing payroll deduction instructions. They're available toll-free at **888-332-4984** on business days from 8 a.m. to 9 p.m., Eastern time.

- **Additional programs to supplement savings.**

Ugift®—Give College Savings is a simple way for employees to invite family and friends to celebrate a child's milestones with the gift of college savings. Upromise® lets your employees add to their college savings by giving them back a percentage of their eligible spending from hundreds of participating companies. Both programs can be linked to your employees' College Savings Iowa accounts.

*Note:* If an employee is not an Iowa taxpayer, he or she should consider before investing whether his or her home state, or the designated beneficiary's home state, offers a 529 plan that provides its taxpayers with state tax and other benefits that are only available for investments in such state's qualified tuition program.

# Two easy steps to establish payroll deduction

## Step 1

### Promotion and account setup.

First, promote the benefit by letting all your employees know how easy and convenient it is to save for college through automatic payroll deduction contributions. Next, it's time to set up the accounts. Because this is a voluntary benefit, each employee who wants to participate must set up his or her own plan account (if one hasn't already been established) and select payroll deduction contributions for the account.

Just have them follow the instructions provided in the table below.

By enrolling online, your employees will become familiar with the wide variety of services and capabilities that College Savings Iowa offers.

Your employees can also establish plan accounts by mail. However, this method takes more time. An employee who wants to set up an account by mail must complete the College Savings Iowa Payroll Deduction Instruction Form and the Participant Agreement (both can be printed online at [www.myiowaplan.com](http://www.myiowaplan.com) or requested by calling **888-332-4984**), mail them to the plan, and wait for a Payroll Deduction Instruction Confirmation to arrive. After signing the Payroll Deduction Instruction Confirmation, the employee must submit it to your payroll office.

## Step 2

### Payroll deduction confirmation.

Confirm that each employee's Payroll Deduction Instruction Confirmation includes a start date, the first nine digits of the employee's College Savings Iowa account number, and the employee's signature.

Follow your existing procedures for setting up or changing bank deposits from employees' paychecks by entering the following information into your payroll system:

- The total amount being contributed by each employee per pay period.
- The ABA routing number for Mellon Bank (the plan's bank): 011001234.
- The three-digit prefix "532," followed by the first nine digits of the employee's College Savings Iowa account number.
- The ACH transmittal coded as "checking account."

If you have questions, call us at **888-332-4984** on business days from 8 a.m. to 9 p.m., Eastern time.

## Enroll online Existing account owners can start at step 3.

- 1 Go to [www.myiowaplan.com](http://www.myiowaplan.com) and click **Open an account**.
- 2 Follow the instructions to enroll in the College Savings Iowa 529 Plan and select a user ID and password for online access.
- 3 Log on to your account and select the account number for your beneficiary.
- 4 Click **Asset Management**, scroll down, and select **Manage Payroll Deduction**.
- 5 Designate the dollar amount to be deducted per pay period (a minimum of \$15).
- 6 Complete the Payroll Deduction Instruction Confirmation (which will appear as a popup), then print and sign it.
- 7 Submit the signed confirmation to your employer's payroll office.

# Policies and processing tips

## Policies

- The employee must provide you with a signed Payroll Deduction Instruction Confirmation authorizing the payroll deduction.
- You, as the employer, are responsible for updating your payroll systems accordingly after the employee provides the signed Payroll Deduction Instruction Confirmation.

## Processing tips

If the instructions and accounts are received in “good order” by 4 p.m., Eastern time, on a day the New York Stock Exchange is open for business, the plan will process the contributions with the closing unit value(s) for that day. If contributions are received after 4 p.m., Eastern time, they will be invested at the closing unit value(s) for the next business day.

“Good order” is defined as follows:

- The ACH instructions contain the plan's correct banking instructions and the **employee's nine-digit account number with the 532 prefix**.
- Each participant's account is active.
- Payroll deduction instructions are provided for each active account.

**Important:** If the employer's payroll deduction instructions include an account number that isn't recognized, or is closed or frozen, the contributions for that account number will be considered “not in good order” and will be rejected by the plan. If the instructions aren't correct, any loss will be the responsibility of the employer.

The plan reserves the right to modify the policies and operational requirements as necessary to support efficient administration of the plan.





[www.myiowaplan.com](http://www.myiowaplan.com)

**Contact us:**

**[csi@iowa.gov](mailto:csi@iowa.gov)**

**888-332-4984**

**College Savings Iowa**

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*If you are not an Iowa taxpayer, consider before investing whether your or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.*

College Savings Iowa is an Iowa trust sponsored by the Iowa State Treasurer's Office. The Treasurer of the State of Iowa sponsors and is responsible for overseeing the administration of the College Savings Iowa 529 Plan. The Vanguard Group, Inc., serves as investment manager and Vanguard Marketing Corporation, an affiliate of The Vanguard Group, Inc., assists the Treasurer with marketing and distributing the Plan. Upromise Investment Advisors, LLC, provides records administration services.

The Plan's portfolios, although they invest in Vanguard mutual funds, are not mutual funds.

*For more information about the College Savings Iowa 529 Plan, call 888-332-4984 or visit [www.myiowaplan.com](http://www.myiowaplan.com) to obtain a Program Description. Investment objectives, risks, charges, expenses, and other important information are included in the Program Description; read and consider it carefully before investing. Vanguard Marketing Corporation, Distributor.*