



Help turn paychecks into diplomas.





# Make college saving automatic for your employees, and for you.



When it comes to saving for the high cost of higher education, where do you start? The answer for many lucky Kentuckians is at work.

Statewide, employers are choosing to help employees save for college through after-tax direct deposit into Kentucky's own 529 plan, KY Saves 529. So little by little, with each paycheck, employees can add to or potentially build their college fund.

Best of all, offering this innovative benefit requires no added costs, systems or contracts. Just agree to allow your employees to save for college via payroll direct deposit and we'll help with the rest.

## **A competitive advantage for employers.**

- Differentiates your benefits package from your competitors.
- Complements your 401(k) and other savings plans.
- No ERISA or Form 5500 requirements.
- Enhances tuition reimbursement and other education efforts.

## **A competitive advantage for employees.**

- Makes saving for higher education “automatic.”
- Offers tax-deferred growth<sup>1</sup> and tax-free distributions.
- Lets them choose from a range of professionally managed investments.

### **Employers are taking notice**

Concerns about affording the cost of college remain top of mind for most Americans, and in response, some companies are beginning to add 529 plan aid to workplace-benefits packages. When asked how likely they would be to participate in such a benefit, the majority (86 percent) of respondents answered in the affirmative.<sup>2</sup>

<sup>1</sup>Earnings on non-qualified distributions 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 distributions are subject to federal, state, and local taxes.

<sup>2</sup>“Americans Still Don't Know About 529 Plans.” Edward Jones. 17 May 2016.

<https://www.edwardjones.com/about/media/news-releases/529-plan-awareness.html>

# Here's all you do.



## 1. Establish KY Saves 529 as a benefit.

## 2. Educate and encourage your employees to enroll.

- Feature KY Saves 529 at your next benefits fair.
- Invite us to host a college savings seminar.
- Post a link to [ky529.com](http://ky529.com) on your company intranet.
- Add information to employee payroll envelopes and new hire packages.
- Email employees announcing this new benefit.

## 3. Execute the payroll direct deposit process.

- Check that each Payroll Form (below) has the employee's Social Security number, signature, and his or her KY Saves 529 account number.
- Follow your existing procedures for payroll direct deposit by entering the:
  - total dollar amount being contributed by the employee per pay period
  - ABA routing number for Mellon Bank (KY Saves 529's bank): 011001234
  - three-digit prefix, 566, followed by the first nine digits of the employee's KY Saves 529 account number
  - ACH transmittal code: "checking" account.

### 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 direct deposit contributions to the Plan. Your employer will initiate or change your payroll direct deposit 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 Direct Deposit 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 566 + [9- digit account #]  
3. Code Transmittal for Checking

**Note:** The account number is a 12-digit field. The first 3 digits identify the bank account of KY Saves 529 Plan. The last 9 digits are the first nine digits of the employee's KY Saves 529 Plan account number.

### 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:**  
KY Saves 529  
P.O. Box 56014  
Boston, MA 02205-6014

**By registered, certified or overnight mail:**  
KY Saves 529  
95 Wells Ave, Suite 155  
Newton, MA 02459-3204

If you have any questions, please call Client Service at 1.877.598.7878 on business days, between 8 a.m. and 8 p.m., Eastern Standard Time (EST).





### It's worth remembering:

- KY Saves 529 processes payroll direct deposit instructions received by the close of regular trading on the New York Stock Exchange, normally 4 p.m. ET. Contributions received after the close of regular trading will be invested at the closing unit value(s) of the next business day.
- The closing unit value(s) will be used, as long as we receive instructions and account information "in good order" (see Step 3 on previous page).

**Please note:** Should an error occur in your ACH instructions, any resulting loss will be your responsibility. Ascensus will not process future contributions until the instructions are corrected. If you have additional questions, please call us at **1.877.598.7878**.



### Why KY Saves 529?

- Savings can grow tax-deferred.
- Qualified distributions are tax-free.<sup>3</sup>
- Money can be used at eligible colleges, universities, apprenticeship programs, K-12 and vocational schools nationwide, not just in KY.<sup>4</sup>
- KY Saves 529 balances do not count toward Kentucky need based financial aid.
- If your beneficiary moves to another state, they may still qualify for Kentucky in-state college tuition rates.



### Does your organization support ACH Direct Deposit?

If not, contact us to discuss alternate processing methods at **1.877.598.7878** or **clientservice@kysaves.com**.

<sup>3</sup>Earnings on non-qualified distributions 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 distributions are subject to federal, state, and local taxes.

<sup>4</sup>An eligible institution includes those that can participate in federal financial aid programs, training and apprenticeship programs, and K-12 programs.

# For employees, getting started is even easier.



## **Step 1: Open a KY Saves 529 account.**

- Visit [ky529.com](http://ky529.com), or complete and return the paper enrollment form.

## **Step 2: Log on to your account.**

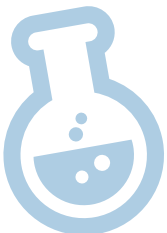
- Click on PROFILE & DOCUMENTS on the home page
- Next, select PAYROLL DEDUCTION, then click on CHANGE PAYROLL INSTRUCTIONS.

## **Step 3: Select how much to contribute from each paycheck.**

- Also include how much to deposit for each beneficiary (if applicable).
- Print out this form (it will be pre-filled with your information) and submit to your HR, Benefits or Payroll departments or if your employer allows, simply update your direct deposit information.
- Changes to 529 contributions can be made at any time by notifying employer.

Now, your employee is enrolled in payroll direct deposit and saving for college!

For more details on KY Saves 529 and its payroll direct deposit option, just contact your Institutional Relationship Manager at [joseph.wilcox@ascensus.com](mailto:joseph.wilcox@ascensus.com).





Mr. Wilcox is a registered representative of Ascensus Broker Dealer Services LLC, 877-529-2980, 95 Wells Ave, Newton MA 02459 (member FINRA/SIPC) and is not employed by the Commonwealth of Kentucky.

**For more information about the Kentucky Educational Savings Plan Trust (KY Saves 529), call 877-598-7878 or visit [www.ky529.com](http://www.ky529.com) to obtain a Program Description, which includes investment objectives, risks, charges, expenses, and other important information. 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.**

KY Saves 529 is administered by the Kentucky Higher Education Assistance Authority. Ascensus College Savings Recordkeeping Services, LLC, is the Program Manager. The Program Manager and its affiliates have overall responsibility for the program's day-to-day operations, including investment advisory services, recordkeeping, and administrative services.

Investment returns will vary depending upon the performance of the Investment Options you choose. Depending on market conditions, you could lose all or a portion of your money by investing in KY Saves 529. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

**INVESTMENTS ARE NOT FDIC INSURED, MAY LOSE VALUE AND ARE NOT BANK GUARANTEED.**

