# 

Payroll Direct Deposit Benefit





#### **Employers are taking notice**

Concerns about affording the cost of education remain top of mind for most Americans, and in response, some companies are beginning to add 529 plan aid to workplacebenefits 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>

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

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

Statewide, employers are choosing to help employees save for education through after-tax direct deposit into Missouri's own 529 plan, MOST—Missouri's 529 Education Plan. So little by little, with each paycheck, employees can add to or potentially build their education fund.

Best of all, offering this innovative benefit requires no added costs, systems or contracts. Just agree to allow your employees to save for education 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 education "automatic."
- Offers tax-deferred growth<sup>1</sup> and tax-free distributions.
- Lets them choose from a range of professionally managed investments.
- Only takes a minimum deposit of \$1 per paycheck.

<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 certaindistributions 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 the MOST 529 Plan as a benefit.

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

- Feature MOST 529 at your next benefits fair.
- Invite us to host an education savings seminar.
- Post a link to most529.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 MOST 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 (MOST 529's bank): 011001234
  - three-digit prefix, 537, followed by the first nine digits of the employee's MOST 529 account number
  - ACH transmittal code: "checking" account.

contributions to the Plan. Your employer will initiate or change your payroll direct deposit after they receive this form.	
Employee Name: Total amount to be deducted per pay pe	Sample Employee eriod: \$0.00
Employee Signature E	Employee SSN Date
	h Payroll Direct Deposit Instructions on Your Payroll System structions for this employee, please make sure that you provide nsmittal:
1. ABA Number 2. Account Number 3. Code Transmittal for Checking	01100]234 (Mellon Bank) 537 + [ 9- digit account #]
	It field. The first 3 digits identify the bank account of the MOST nine digits of the employee's MOST 529 Plan account number
3	y Check n contributions by check, please mail the check to the n a corresponding list containing the name, account number,
appropriate address below, along with and contribution amount for each part	
	licipating employee: By registered, certified or overnight mail:

**IT'S WORTH REMEMBERING:** 

- MOST 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 **1.800.868.3585**.

### • **WHY**<sup>3</sup> MOST 529?

- Savings can grow tax-deferred.
- Qualified distributions are tax-free.<sup>3</sup>
- Money can be used at eligible colleges and universities, postsecondary trade and vocational schools, apprenticeship programs, K-12 tuition, and more.<sup>4</sup>



### Does your organization support ACH Direct Deposit?

If not, contact us to discuss alternate processing methods at **1.800.868.3585** or **most529@missourimost.org**.

<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 is one that can participate in federal financial aid programs. Expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school, not to exceed \$10,000 per student per year in the aggregate across all 529 Plans for such student.



#### Step 1: Enroll in the MOST 529 Education Plan.

• Visit most529.com, or complete and return the paper enrollment form.

### Step 2: Select PAYROLL DIRECT DEPOSIT during enrollment.

• When selecting a funding method during enrollment, choose WITH PAYROLL DIRECT DEPOSIT.

## 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 your employer.

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

For more details on MOST 529 and its payroll direct deposit option, just contact your Institutional Relationship Manager at **most529team@ascensus.com**.



Ms. Williams and Ms. Tobin are registered representatives of Ascensus Broker Dealer Services LLC, 877-529-2980, 95 Wells Ave, Newton MA 02459 (member FINRA/SIPC) and are not employed by the State of Missouri.

For more information about MOST—Missouri's 529 Education Plan, call 800-868-3585 or visit MOST529.com to obtain a Program Description, Privacy Policy, and Participation Agreement. Investment objectives, risks, charges, expenses, and other important information are included in this document; read and consider it carefully before investing.

If you are not a Missouri taxpayer, please consult a tax advisor. 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. Other state benefits may include financial aid, scholarship funds, and protection from creditors.

The Missouri Education Program (the "Program Trust") is a trust created by the State of Missouri. When you invest in MOST—Missouri's 529 Education Plan (the "Plan"), you are purchasing portfolio units issued by the Program Trust. Portfolio units are municipal securities. The Plan has been implemented and is administered by the Missouri Education Program Board (the "Board"). Ascensus College Savings Recordkeeping Services, LLC, serves as the Program Manager and Recordkeeping and Servicing Agent, and together with its affiliates, has overall responsibility for the day-to-day operations of the Plan. The Vanguard Group, Inc., serves as Investment Manager for the Plan. The Plan's portfolios, although they invest in mutual funds, are not mutual funds.

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

