

Below is a draft e-mail that you can customize and send to your employees as an introduction to the *Direct Plan* and the new benefit. You can use it verbatim—just add your company's name to the last paragraph and be sure to attach the *Enrollment and Payroll Deduction Procedures for Employees*, a PDF available on our website as part of the "*Direct Plan* Employer Kit."

Draft e-mail:

Subject line:

Enroll in a plan that makes saving for college easy

Body:

Save for college in a tax-savvy way

It's never too early or too late to start saving for college, and one of the easiest, most tax-efficient ways to save is through New York's 529 College Savings Program *Direct Plan*.

A 529 college savings plan is a program created to help people like you save for future higher-education expenses for your child, grandchild, niece, nephew, or even yourself. Typically, 529 plans are state-sponsored, and many offer a state-tax incentive for residents who enroll in their own state's plan. Since you're a New York taxpayer, up to \$10,000 is deductible from income on your New York state taxes for contributions to your account.*

When it's time to pay for college, you can withdraw the money from your 529 plan account tax-free to pay for qualified higher-education expenses such as tuition, fees, books, supplies, required equipment, and certain room and board costs.** Keep in mind, investment returns are not guaranteed, and you could lose money by investing in the plan.

Get started with just \$1

As part of [company's name]'s benefits package, you can enroll in New York's 529 *Direct Plan* with as little as \$1 through our payroll deduction plan. See the attached word document with instructions on how to begin.

[Attach *Enrollment and Payroll Deduction Procedures for Employees.pdf*]

*Up to \$10,000 is deductible from New York State taxable income for married couples filing jointly; single residents can deduct up to \$5,000 annually. *May be*

subject to recapture in certain circumstances—rollovers to another state's plan or nonqualified withdrawals.

****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.**

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*. Ascensus Broker Dealer Services, Inc., serves as Program Manager and, in connection with its affiliates, provides recordkeeping and administrative support services and is responsible for day-to-day operations of the *Direct Plan*. The Vanguard Group, Inc., serves as the Investment Manager. Vanguard Marketing Corporation markets, distributes, and underwrites the *Direct Plan*.

No guarantee: None of the State of New York, its agencies, the Federal Deposit Insurance Corporation (FDIC), The Vanguard Group, Inc., Ascensus Broker Dealer 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 *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.

Before you invest, consider whether your or the beneficiary's home state offers any state tax or other benefits that are only available for investments in that state's 529 plan. Other state benefits may include financial aid, scholarship funds, and protection from creditors.

For more information about New York's 529 College Savings Program *Direct Plan*, obtain a Program Brochure and Tuition Savings Agreement at www.nysaves.org or by calling 1-877-NYSAVES. This includes investment objectives, risks, charges, expenses, and other information. You should read and consider them carefully before investing.