

# SSGA Upromise 529 Plan

A Guide for Wealth Managers



SSGA  promise529  
POWERED BY SPDR® ETFs



## The SSGA Upromise 529 Plan

The SSGA Upromise 529 Plan is a tax advantaged way to save for private school and higher education. The plan is administered by the Board of Trustees of the College Savings Plans of Nevada and was created to encourage individuals and families to save for education expenses.

This guide will provide answers to many of the frequently asked questions that clients may have when considering an investment in the SSGA Upromise 529 Plan.

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## Client Advantages and Options

### What are the advantages of a 529 plan?

- **Tax deferred investment growth and withdrawals** that are free from federal taxes when used for qualified education expenses at an eligible school.<sup>1</sup>
- **Gift and estate tax benefits**—for 2019 individuals may invest up to \$15,000 (\$30,000 for married couples) per beneficiary without incurring any gift tax. Upon the death of the account owner, money remaining in the account will not be included in the account owner's estate for federal estate tax purposes.
- **Account owner control and flexibility as to how assets are used**
- **Professional investment management**

### Why offer the SSGA Upromise 529 Plan to Your Clients?

- **Institutional asset management from State Street Global Advisors' Investment Solutions Group (ISG)**
- **Powered by SPDR® ETFs**—The underlying funds for the investment options offered in the plan are ETFs<sup>2</sup> and, where applicable, mutual funds managed by SSGA Funds Management, Inc.
- **A number of 529 investment options can increase your flexibility and efficiency of managing education savings accounts.**

### What types of investments are available?

The plan offers the following investment options:

- 8 College Date Portfolios
- 3 Risk Based Portfolios
- 15 Static Portfolios
- Savings Portfolio

For complete details on the investment options offered by SSGA Upromise 529, please visit [ssga.upromise529.com/investmentoptions](https://ssga.upromise529.com/investmentoptions).

### Is there a state tax deduction available?

Nevada does not have a state income tax, so there is no state tax deduction for Nevada residents. Many other states do provide tax deductions for contributions to 529 plans sponsored only by that state, and some states provide tax deductions for contributions to 529 plans sponsored by any state. You and your client should check the rules for applicable states.

<sup>1</sup>Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10 percent 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.

<sup>2</sup>Although they invest in ETFs and/or mutual funds, the SSGA Upromise 529 Plan Portfolios are not ETFs or mutual funds themselves. An account owner will own units of the portfolio, which are municipal securities, not shares of the ETFs or mutual funds.

## Costs, Contribution Limits and Beneficiary Restrictions

### What are the costs, contribution limits and beneficiary restrictions associated with the plan?

Costs	
<b>What are the management fees?</b>	The annual asset-based plan fee varies from 0.22 percent to 0.27 percent depending on the portfolio chosen. For further details refer to the <i>Plan Description and Participation Agreement</i> .
<b>What are the account fees?</b>	There is no enrollment fee.  There is an annual account fee of \$20. (The annual account fee is waived for Nevada resident account owners and beneficiaries, and for anyone invested in the Savings Portfolio at the time the fee is assessed)
<b>How many times can funds be re-allocated to different investment choices?</b>	Twice per calendar year or whenever the account's beneficiary is changed.
Contributions and Rollovers	
<b>What is the minimum deposit needed to open an account?</b>	\$15 for a lump sum contribution via check or a one-time electronic funds transfer  or  \$50 per month or \$15 per pay period through payroll direct deposits. <sup>3</sup>
<b>Is there an annual or lifetime contribution limit?</b>	Contributions can be made until the total contributions for the designated beneficiary reaches the lifetime maximum contribution limit of \$500,000 (based on aggregate market value of all education saving plan accounts for the same designated beneficiary under all college savings programs sponsored by the State of Nevada). Accounts that have reached the Maximum Contribution Limit will continue to accrue earnings, although future contributions may not be made to such accounts.  Individuals contributing up to \$15,000 (\$30,000 if married filing jointly) in a single year can do so without incurring a gift tax. Individuals can also take advantage of the five year contribution rule and when gifting up to \$75,000 per child in a single year (\$150,000 for married couples) with no gift tax consequences as long as they make no additional gifts to the same child over the next five years. <sup>4</sup>
<b>Can funds be rolled over from a 401k or an IRA?</b>	No, funds may not be rolled over from a 401k or an IRA account.
<b>Can funds from a 529 Account be rolled over to an ABLÉ account?</b>	Yes, as of 2018, the ABLÉ Financial Planning Act allows funds in a 529 account to be rolled over to an ABLÉ account with no penalty. <sup>5</sup>
Ownership and Beneficiaries	
<b>Can the beneficiary be changed?</b>	Yes, the beneficiary may be changed at any time without tax consequences as long as the new beneficiary is a "Member of the Family" of the current designated beneficiary (as defined under Section 529). <sup>5</sup>
<b>Can account ownership be changed?</b>	Yes

<sup>3</sup> A plan of regular investment cannot assure a profit or protect against a loss in a declining market

<sup>4</sup> In the event the donor does not survive the five-year period, a pro-rated amount will revert to the donor's taxable estate.

<sup>5</sup> ABLÉforALL, "FAQs" 2018. <http://ableforall.com/faqs/2018/4/17/can-i-rollover-a-529-college-savings-plan-into-my-able-account>.

## Expenses and Withdrawals

## Which education expenses are eligible?

To qualify for federal tax-free withdrawals on earnings, the money must be used for qualified K-12 elementary or secondary public, private, or parochial schools, and/or higher education expenses for the beneficiary at an eligible educational institution. Some international schools and overseas study programs qualify.

- **Eligible Educational Institutions**—Eligible educational institutions are those eligible to participate in federal student financial aid programs. An easy way to check a school's eligibility under Section 529 is to confirm they have been assigned a federal school code at [fafsa.ed.gov](https://fafsa.ed.gov).
- **Qualified Education Expenses**—Up to \$10,000 in tuition for K-12 elementary or secondary public, private or parochial schools qualify for tax-free education expenses. For higher education institutions, tuition, mandatory fees, books, computers/ Internet access, supplies and equipment required for enrollment or attendance are all qualified expenses. Additionally, certain room and board costs during any academic period for which the beneficiary is enrolled at least half-time and certain expenses for special-needs students are also eligible.

## What happens to funds not used for qualified higher education expenses?

A 529 plan account owner may change the beneficiary at any time without tax consequences when the new beneficiary is a family member of the current beneficiary. The IRS provides a broad definition of family member, which includes the beneficiary's blood relatives and relatives by marriage and adoption.<sup>6</sup>

In addition, any funds that are not used for the beneficiary's qualified expenses can be withdrawn for other uses. However, the earnings portion of a withdrawal not used for a beneficiary's qualified education expenses is subject to federal and state income taxes and may also be subject to a 10 percent federal penalty tax. Exceptions to this penalty include a withdrawal made because the beneficiary:

- Dies
- Becomes disabled
- Receives a scholarship, to the extent that the withdrawal amount does not exceed the scholarship amount.
- Attends the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, to the extent that the amount of the withdrawal does not exceed

the costs of education attributable to such attendance.

Alternatively, should a beneficiary decide not to go to private school or college an account owner has the option to either request a non-qualified withdrawal, change the beneficiary or stay invested in the case that the beneficiary decides to go to college at a later date (there is no age limit to use the funds).

## How are withdrawals made?

Withdrawals can be requested either online after login in to your account or by submitting a *Withdrawal Request Form*. Generally, withdrawals may be made at any time.

- Proceeds from qualified withdrawals can be sent to the account owner, the beneficiary, or the higher education institution.
- Proceeds from non-qualified withdrawals can be sent to the account owner or the beneficiary.

## Are there other ways to save?

Yes, Ugift® and Upromise® Rewards both offer additional ways to save.

### Ugift

Ugift allows family and friends to celebrate children's milestones with the gift of education savings (in lieu of traditional gifts). By logging onto their SSGA Upromise 529 account and clicking on the Ugift logo, clients can invite their family and friends to contribute with as little as \$15 per gift.

### Upromise Rewards<sup>7</sup>

Upromise Rewards is a service that helps families earn extra money for education with many of the country's leading retailers. When a client links their Upromise Rewards account to their SSGA Upromise 529 account, they can arrange to have their rewards earnings automatically transferred to their 529 account on a periodic basis (subject to a \$25 minimum).

## Contact Information

For questions about 529 QuickView® please call: 1-888-823-4348

For questions related to client accounts or the Plan, please call: 1-800-587-7305

For questions on setting up a SSGA Upromise 529 account or on SPDR ETFs: 1-866-967-2776

<sup>6</sup>Saving for College "Who is a Member of the Family of a 529 Beneficiary" <https://savingforcollege.com/article/who-is-a-member-of-the-family-of-a-529-plan-beneficiary>.

<sup>7</sup>Upromise Rewards is an optional program and is separate from SSGA Upromise 529 Plan. Specific terms and conditions apply for each company's contributions. Participating companies, contribution levels, and terms and conditions are subject to change without notice.

# Enrollment and Client Account Access

## How do I enroll my client?

Go to the Financial Advisor Pages on the plan website, [ssga.upromise529.com/enroll](http://ssga.upromise529.com/enroll), and follow the directions provided.

or

Navigate to the bottom of the Online Enrollment page and download the 529 Plan Advisor Enrollment Kit.

## Ease of Access to Your Clients Accounts: 529 QuickView®

529 QuickView®, [529quickview.com](http://529quickview.com), is a web-based portal that gives you immediate online access to your clients Ascensus Broker Dealers Services, LLC. -administered 529 plans. 529 QuickView® is easy to use and password protected so only authorized personnel have access to your clients' information.

529 QuickView® allows you to:

- View daily account balances
- Access participant account details
- Download statements, confirmations and tax forms
- View allocation management details
- Conduct online transactions

## 529 QuickView® Registration

Follow these three steps to get started:

- **Receive Client Authorization:** Before registering, each client must have submitted a signed Agent Authorization/ Limited Power of Attorney form. The help line 1-800-587-7305 can confirm receipt of the form.
- **Fill in and submit the online registration form at [529quickview.com](http://529quickview.com):** Follow the "click here" link under the log in box. After this form has been completed, you will be notified by email within 24 hrs regarding your 529 QuickView® registration.
- **Access your clients account:** You can search for clients by plan, client and beneficiary name, tax identification number, social security number or account number.

## What information do I have to provide at registration?

- Name/contact information
- Dealer, branch and representative number (or IRD number)
- Client's SSGA Upromise 529 account number

## Can I download the client information to my computer?

Yes, you can download the account balance data to Microsoft Excel.

## How secure is the site?

529 QuickView® was created with a focus on security. There are four built-in security factors:

- 128-bit SSL encryption
- Password protection (8–20 characters, letters and numbers)
- Timeout of authentication sessions
- Strict registration requirements

## Are there any technical requirements for using 529 QuickView®?

No. You just need access to a web browser.

## Do my clients have to give permission for me to access their accounts?

Yes, each client must grant authorization by completing an agent authorization/limited power of attorney form, available on the SSGA Upromise 529 Plan website [ssga.upromise529.com/enroll](http://ssga.upromise529.com/enroll) or by calling the SSGA Upromise 529 help line at 1-800- 587-7305. The help line can also confirm whether your client has submitted the appropriate form.

# Ease of Access to Your Clients' Accounts: 529 QuickView®

## 529 QuickView® Homepage

The screenshot shows the 529 QuickView homepage. At the top right, it says "Welcome, Patty Avers | Log Out". Below the navigation menu, there is a "Welcome to 529 QuickView" message. On the left, under "Asset Summary by Plan", there is a table with columns for Plan Name, Purchases (as of 07/31/14), Withdrawals (as of 07/31/14), and Assets (as of 07/31/14). The table shows a total of \$0.00 in purchases, \$0.00 in withdrawals, and \$78.23 in assets. On the right, there is an "Account Search" section with input fields for Client Tax ID or SSN, Client Account Number, BIN, Client Last Name, and Client First Name. There are also checkboxes for "All Plans" and "CollegeChoice Advisor 529 Savings Plan". A "Search" button is at the bottom right of the search section.

Plan Name	Prior Day Activity		
	Purchases (as of 07/31/14)	Withdrawals (as of 07/31/14)	Assets (as of 07/31/14)
CollegeChoice Advisor 529 Savings Plan	\$ 0.00	\$ 0.00	\$ 78.23
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 78.23</b>

- The 529 QuickView® displays summary information for clients' Ascensus Broker Dealers Services, LLC administered 529 plans.
- Search for accounts using your client's tax ID, social security number, BIN, first and last name. You can search all plans or by specific plan.
- A search by the account search criteria will display the search results page or account overview page in Unite/CSR.
- You may also download an asset summary.

## 529 QuickView® Search Results Screen

The screenshot shows the 529 QuickView search results screen. It features a search form with input fields for Client Tax ID or SSN, Client Account Number, BIN, Client Last Name, Client First Name, Beneficiary Last Name, Beneficiary First Name, and Beneficiary Tax ID or SSN. There are also checkboxes for "All Plans" and "CollegeChoice Advisor 529 Savings Plan". A "Search" button is located below the form.

- View and sort accounts by ascending or descending order by clicking on the account number, account owner, beneficiary or account balance heading.
- Download search results in CSV format.

## 529 Plan Account Overview Screen

The screenshot shows the 529 QuickView plan account overview screen. It displays the "Your Account Profile" section, which includes "Profile Detail" with fields for Name, Email Address, User Name, Password, Security Question, and Security Answer. There is also a "Trading Info" section with a link to request access for another Trading ID. At the bottom, there is a section for "Firm/Business Name" with details like Dealer Number, Branch Number, Reg Number, 900 Number, and Mailing Address.

- View detailed direct plan client information.
- Download statements, confirmations, year end tax forms and reports.
- Perform non-financial and financial transactions (depending on the level of authorization).

*We look forward to working with you and your clients.*

For technical questions, contact the 529 QuickView® help line at: 888-823-4348

The information contained above is for illustrative purposes only.

## SSGA UPROMISE 529 PLAN

P.O. Box 55578  
Boston, MA 02205-5578

1-800-587-7305  
ssga.upromise529.com/advisor

### IMPORTANT RISK INFORMATION

**For more information about the SSGA Upromise 529 Plan (“the Plan”) download the Plan Description and Participation Agreement or request one by calling 1-800-587-7305. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Description; read and consider it carefully before investing.**

**Please Note: Before you invest, consider whether your client’s state or the your client’s 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.**

The SSGA Upromise 529 Plan (the “Plan”) is administered by the Board of Trustees of the College Savings Plans of Nevada (the “Board”). Ascensus Broker Dealer Services, LLC. (ABD) serves as the Program Manager. ABD has overall responsibility for the day-to-day operations. State Street Global Advisors (SSGA) serves as Investment Manager for the Plan except for the Savings Portfolio, which is managed by Sallie Mae Bank, and also provides or arranges for certain marketing services for the Plan. The Plan’s Portfolios are either (i) powered by SPDR® ETFs — meaning the underlying funds offered for investment options are Exchange-traded funds (“ETFs”), and where applicable, mutual funds offered or managed by SSGA Funds Management, Inc.; or (ii) a Federal Deposit Insurance Corporation (FDIC) insured omnibus savings account held in trust by the Board at Sallie Mae Bank. Except for the Savings Portfolio, investments in the Plan are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investing involves risk including the risk of loss of principal. Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, you could lose all or a portion of your money by investing in the Plan, depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

Information represented in this piece does not constitute legal, tax, or investment advice. Investors should consult their legal, tax, and financial advisors before making any financial decisions.

ETFs trade like stocks, fluctuation in market value and may trade at prices above or below the ETF’s net asset value. ETF expenses will reduce returns.

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