



FACT SHEET

From the Office of New York State Comptroller
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NEW YORK'S 529 COLLEGE SAVINGS DIRECT PLAN

What is the NY State 529 Direct Plan?

It is a tax-advantaged savings plan that enables you to invest for college education.

Who can open an account?

It is open to any U.S. citizen or resident alien who has a valid Social Security number or taxpayer identification number. You must have a valid U. S. street address that is not a post office box. The person on whose behalf you're opening the account (the beneficiary) must also be a U.S. citizen or resident alien with a valid Social Security number or taxpayer identification number. There are no income restrictions or state residency requirements.

What are the tax benefits?

New York state taxpayers can deduct up to \$5,000 of contributions to their account (\$10,000 for a married couple filing jointly) on their state income tax return each year.* However, contributions are **not** deductible for federal income tax purposes. All earnings on contributions in the account grow tax free; withdrawals are not taxed if used for qualified educational expenses.**

What can the money be used for?

The money from your account can be used to pay for tuition, fees, books, room and board, supplies and other qualified higher education expenses at any eligible post-secondary school in the United States and abroad. This includes most colleges, universities, graduate schools and vocational schools.

What are the investment choices?

The plan offers 16 investment choices—three age-based options that automatically adjust your assets over time to more conservative allocations and 13 individual portfolios that you adjust yourself according to your own investment strategy and risk tolerance. You can select up to five investment options per account.

Who manages the program?

The State Comptroller and the Higher Education Services Corporation jointly administer the program. The plan is managed by Ascensus Broker Dealer Services, Inc. and investments are made by Vanguard.

How do you open an account?

You can open an account online at www.nysaves.org and fund it by electronic bank transfer, check, payroll deduction (if available through your employer) or by a rollover from another college savings vehicle. The minimum contribution to open an account or add to an existing

account is \$25 (\$15 through payroll deduction). For more information call 1-877-NYSAVES.

For more information about New York's 529 College Savings Program *Direct Plan*, obtain a disclosure booklet and tuition savings agreement at www.nysaves.org or by calling 1-877-NYSAVES (1-877-697-2837). This includes investment objectives, risks, charges, expenses, and other information. You should read and consider them carefully before investing. Investment returns are not guaranteed, and you could lose money by investing in the plan.

*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 tax. Tax and other benefits are contingent on meeting other requirements, and certain withdrawals are subject to federal, state and local taxes.

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