

Small Steps to Big College Dreams



BUILDING BLOCK #2

Open and Connect Your Own College Savings Account

How College Savings May Impact Public Benefits

There are many ways to save for college and many different types of college savings accounts. The Save for College Program provides an opportunity for you to open one of two college savings account options that can be connected to your child's scholarship account:

- 1 NY'S 529 COLLEGE SAVINGS PROGRAM
DIRECT PLAN ACCOUNT**
(a type of investment account specifically created to help families save for college and career training)
- 2 AMALGAMATED SAVE FOR COLLEGE
BANK ACCOUNT**

This document has information about how opening and depositing money into each of these kinds of accounts may impact **your** eligibility (as the account owner) for public benefits. It does not describe the potential effect on a child's own public benefits when they get to college.

The table in the next page gives a summary of how each benefit may be affected by saving in each of these college savings options. It also lists who to contact to discuss your specific questions and circumstances about each benefit.

NYC Kids RISE does not provide investment advice or recommend any particular kind of college savings account. Every family's financial circumstances are different, and you should consider your own circumstances before saving or investing.

For more information about college savings options available to you through the Save for College Program, visit nyckidsrise.org/options.

NYC Scholarship Account

Because the NYC Scholarship Account is owned and managed by NYC Kids RISE, **money in the NYC Scholarship Account will not affect existing or future public benefits while held in the account.** NYC Kids RISE will provide more information in future years on how spending the money in a student's NYC Scholarship Account may impact that student's public benefits when they get to college. For more information, call the NYC Kids RISE hotline at 833-KID-RISE (833-543-7473) or visit nyckidsrise.org.

Your Own Savings Account

Please read the information below to understand how your family's public benefits may be affected by either of the college savings account options. The table below also lists who to contact for more information. Note that the resource limit amounts and other rules can change over time. **Contact the benefits agency using the contact information below to learn more about current resource limits for each of the benefits.**

There will be **no effect** on the following benefits of having or depositing money into your own college savings account:

- WIC (Special Supplemental Nutrition Program for Women, Infants, and Children)
- Free and reduced-price lunch
- Medicare and Medicare Savings Plus
- SSDI (Social Security Disability Insurance)
- LIHEAP (Low Income Home Energy Assistance Program)
- CHIP (Children's Health Insurance Program)

There is a **possible effect** on the following benefits of having or depositing money into your own college savings account:

- NYCHA (New York City Housing Authority) housing
- NYCHA's Section 8 program
- Affordable Housing (Housing subsidized by the NYC Department of Housing Preservation and Development or Housing Development Corporation)
- Medicaid
- Emergency LIHEAP
- Public Assistance (TANF/Temporary Assistance for Needy Families, cash assistance, welfare, family assistance, or safety net assistance)
- Food Stamps/SNAP



¹Note that the information on the next pages might change for you and your family, depending on whether you are currently receiving a benefit or if you are applying for a benefit in the future.

For additional information, please refer to the chart below.

BENEFIT	WILL SAVINGS IN A 529 ACCOUNT AFFECT THIS BENEFIT?	WILL SAVINGS IN A BANK SAVINGS ACCOUNT AFFECT THIS BENEFIT?	WHO CAN I CONTACT FOR BENEFITS ASSISTANCE?
WIC (Special Supplemental Nutrition Program for Women, Infants, and Children)	No - There is no resource test for WIC eligibility determinations.	No - There is no resource test for WIC eligibility determinations.	WIC Office 42-71 65th Pl Woodside, NY 11377 (718) 715-7001
Free and reduced-price lunch	No	No	Lunch is free for all NYC public school students
Medicare and Medicare Savings Plans	No - Medicare is not a means-tested benefit and does not have a resource test.	No - Medicare is not a means-tested benefit and does not have a resource test.	Queens Community Medicaid Office 4512 32nd Pl, Long Island City, NY 11101 (718) 752-4540
SSDI/Disability (Social Security Disability Insurance)	No - SSDI is not a means-tested benefit and does not have a resource test.	No - SSDI is not a means-tested benefit and does not have a resource test.	Social Security Office 31-08 37th Ave, Long Island City, NY 11101 (800) 772-1213
Low Income Home Energy Assistance Program (LIHEAP)	No - There is no resource test for LIHEAP eligibility determinations.	No - There is no resource test for LIHEAP eligibility determinations.	NYC Human Resources Administration/HEAP PO Box 1401 Church Street Station New York, NY 10008 (212) 331-3126
Emergency Low Income Home Energy Assistance Program (LIHEAP)	Possibly - Savings in this account count as a resource and could affect this benefit. To receive Emergency LIHEAP, households are allowed up to \$2,000 in resources and up to \$3,000 in resources if a household member is more than 60 years old.	Possibly - Savings in this account count as a resource and could affect this benefit. To receive Emergency LIHEAP, households are allowed up to \$2,000 in resources and up to \$3,000 in resources if a household member is more than 60 years old.	NYC Human Resources Administration/HEAP PO Box 1401 Church Street Station New York, NY 10008 (212) 331-3126
New York City Housing Authority (NYCHA) Housing	No - the total amount of savings in a 529 account is not counted. NYCHA will not count any self-reported interest earned in the 529 account towards your income.	Possibly - The total amount of savings in a bank account is not counted. However, NYCHA can count any self-reported interest earned in a traditional savings account towards your income.	NYCHA's Customer Contact Center (718) 707-7771

BENEFIT	WILL SAVINGS IN A 529 ACCOUNT AFFECT THIS BENEFIT?	WILL SAVINGS IN A BANK SAVINGS ACCOUNT AFFECT THIS BENEFIT?	WHO CAN I CONTACT FOR BENEFITS ASSISTANCE?
<p>New York City Housing Authority's (NYCHA's) Section 8 Program</p>	<p>No - the total amount of savings in a 529 account is not counted.</p> <p>NYCHA will not count any self-reported interest earned in the 529 account towards your income.</p>	<p>Possibly - the total amount of savings in a bank account is not counted.</p> <p>However, NYCHA can count any self-reported interest earned in a traditional savings account towards your income.</p>	<p>NYCHA's Customer Contact Center (718) 707-7771</p>
<p>Affordable Housing (Housing subsidized by the NYC Department of Housing Preservation and Development or Housing Development Corporation)</p>	<p>Possibly - If all of your assets² are worth less than \$5,000, the interest they earn is counted toward your income.</p> <p>If all of your assets are worth more than \$5,000, either the interest they earn or 0.06% of their value is added your income, whichever amount is greater.</p>	<p>Possibly - If all of your assets³ are worth less than \$5,000, the interest they earn is counted toward your income.</p> <p>If all of your assets are worth more than \$5,000, either the interest they earn or 0.06% of their value is added your income, whichever amount is greater.</p>	<p>NYC Housing Connect 212-863-5610</p>
<p>Children's Health Insurance Program (CHIP)</p>	<p>No - There is no resource test for CHIP eligibility determinations.</p>	<p>No - There is no resource test for CHIP eligibility determinations.</p>	<p>Queens Community Medicaid Office 4512 32nd Pl, Long Island City, NY 11101 (718) 752-4540</p>
<p>Medicaid</p>	<p>Possibly - There are no Medicaid resource limits for children, parents with a dependent child, or pregnant women (MAGI group).</p> <p>There are resource limits for the blind, disabled or persons 65 years old or older (non-MAGI). Certain non-MAGI groups are exempt from the resource test (e.g., under 21 ADC-related). This resource test varies depending on the category of eligibility and household size.</p>	<p>Possibly - There are no Medicaid resource limits for parents and pregnant women. There are resource limits for the blind, disabled or persons 65 years old or older.</p> <p>Withdrawals during the look-back period (the five years before a Medicaid application) could delay the disbursement of Medicaid payments. This account may need to be spent down first before becoming eligible for Medicaid.</p>	<p>Queens Community Medicaid Office 4512 32nd Pl, Long Island City, NY 11101 (718) 752-4540</p>

² This includes all the money in this account and any other savings or assets you may have.

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Medicaid [continued]	Withdrawals during the look-back period (the five years before a Medicaid application) could delay the disbursement of Medicaid payments. This account may need to be spent down first before becoming eligible for Medicaid.		
Food Stamps/SNAP	No - Funds in a 529 account are exempt from counting towards the resource limit test.	Possibly - Households with elderly or disabled members and “categorically eligible” families are not subject to the gross income test. Food stamps are not impacted if the savings account is just for college savings. Non-categorically eligible families’ food stamps could be affected. ⁴	Food Bank For NYC SNAP Benefits Helpline (212) 894-8060
Public Assistance (Temporary Assistance for Needy Families/TANF, Cash Assistance, Welfare, Family Assistance or Safety Net Assistance)	No - Since this account is established for the single purpose of paying for educational needs and cannot be used for any other purposes, the funds are exempt from the resource limit test.	Possibly - Families are allowed up to \$1,400 in a separate savings account dedicated solely for tuition at a two-year or four-year college without the funds counting towards the resource test. If savings are used for other purposes, the full account amount will count towards the resource test and could affect benefits. ⁵	Human Resources Administration (HRA) Helpline (718) 557-1399
Supplemental Security Income (SSI)	Yes - Savings in this account count as a resource and could affect eligibility. To receive SSI, individuals are allowed up to \$2,000 in resources and couples up to \$3,000 in resources, unless the money is invested in an ABLE Account. ⁶	Yes - Savings in this account count as a resource and could affect eligibility. To receive SSI, individuals are allowed up to \$2,000 in resources and couples up to \$3,000 in resources.	Social Security Office 31-08 37th Ave. Long Island City, NY 11101 (800) 772-1213

⁴This includes households with income that is more than 200% of the Federal Poverty Level (\$49,200 for a family of four in 2017) and households with members that have been sanctioned. If you have resources of \$2,250 (\$3,250 for a household with a person who is at least 60 years old or has a disability), your Food Stamps could be cut.

⁵Families who are applying for public assistance, including families who previously received public assistance and are reapplying, who have any savings whether it is for tuition or not, will have to pass a resource test. If you have more than \$2,000 in assets (or \$3,000 if someone is age 60 or older), you could not be eligible for public assistance.

⁶For more information about ABLE accounts, visit <http://www.ablenrc.org/about/what-are-able-accounts>.

For free, one-on-one support with fitting college savings into your overall financial picture, consider visiting one of the NYC Financial Empowerment Centers located throughout the city. At the Financial Empowerment Centers, you can meet one-on-one with a professional financial counselor who can help you tackle debt, improve your credit, create a budget, open a bank account, save and plan for your future, and more. You can also get information about saving for your child's college education and making a plan to start saving. To schedule an appointment at a Financial Empowerment Center near you, call 311 or visit nyc.gov/dca.

The NYC Kids RISE Save for College Program is a scholarship and savings program administered by NYC Kids RISE Inc., a nonprofit, in partnership with the NYC Department of Education and the City of New York. NYC Kids RISE is neither affiliated with, nor an authorized distributor of, New York's 529 College Savings Program and does not solicit investments or provide investment advice. The City of New York and the NYC Department of Education offer no endorsement or recommendation about, and do not control, own or are affiliated with the NY 529 Program Manager and any particular college savings or other investment vehicle, including ones which families may learn about through the Save for College Program.

Invest in your child—save for college

FIND OUT HOW

nyckidsrise.org

833-KID-RISE (833-543-7473)

The NYC Kids RISE Save for College Program is a scholarship and savings program designed to make college more accessible and achievable for all NYC public school students—regardless of their family's income or immigration status. NYC Kids RISE, a nonprofit organization, manages the Save for College Program in partnership with the NYC Department of Education and the City of New York.

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