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## How to Open an NY 529 Direct Plan Account



**There are many ways to save for college.** NYC Kids RISE encourages every family to choose the option that is best for them. Visit [nyckidsrise.org/options](https://nyckidsrise.org/options) or attend a Save for College Program workshop for more information about college savings options.

One of the college savings options available to your family is the **New York's 529 College Savings Program Direct Plan.**

**A 529 account is a type of account specifically designed to help families save for college and career training.**

- Money in a 529 account can grow over time and comes with tax benefits, including tax-free earnings<sup>1</sup> and potential state income tax deductions.
- However, money in a 529 account is not guaranteed to grow and can lose value.
- You should read a 529 account's disclosure materials to understand the features and risks of your potential investment.
- For more information about the NY 529 *Direct Plan* or the enrollment process, visit [nysaves.org](https://nysaves.org) or call **877-NYSAVES (877-697-2837).**

### What you need to open and connect an NY 529 Direct Plan account:

- Your NYC Kids RISE Savings Tracker username and password<sup>2</sup>
- Your own Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)
- Your child's SSN or ITIN
- Your and your child's home address
- Your email address
- Your and your child's date of birth
- **Recommended:** The name and date of birth of someone who you would want to own the account in the event of your death

### Detailed information about the NY 529 Direct Plan is also available in the NY 529 Direct Plan Disclosure Booklet and Tuition Savings Agreement, or "Disclosure Booklet."

- You can download this document on [nysaves.org](https://nysaves.org).
- This document includes investment objectives, risks, charges, expenses, and other information. You should read and consider it carefully before investing.
- If you open an account with the NY 529 *Direct Plan*, you will be asked to confirm that you have received the Disclosure Booklet before opening your account.

**Note:** NYC Kids RISE is not affiliated with NY's 529 College Savings Program and does not provide investment advice. NYC Kids RISE is not making a recommendation on the suitability of the NY 529 *Direct Plan* for you or your family. NYC Kids RISE encourages you to proceed only if you have determined that the NY 529 *Direct Plan* makes sense for you and your family. For more information about the NY 529 *Direct Plan*, visit [nysaves.org](https://nysaves.org) and download the Disclosure Booklet, or call **877-NYSAVES (877-697-2837).**

<sup>1</sup> Earnings on nonqualified withdrawals may be subject to federal income tax and a 10% federal income 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.

<sup>2</sup> For information on creating a username and password to view your child's NYC Scholarship Account, visit [nyckidsrise.org/register](https://nyckidsrise.org/register)

## KEY TERMS:

- The **Account Owner** is the person who will own and make decisions about this college savings account. To be the Account Owner, you must be a U.S. citizen or legal resident alien and have a street address. There can only be one Account Owner on an account. This can be a parent, guardian, grandparent, or other adult.
- The **Successor Account Owner** is the person the Account Owner names to own and control the NY 529 account if the Account Owner dies.
- The **Beneficiary** is the child who you are saving for and who can use the money in the account for their education. Your participating child is the beneficiary on their NYC Scholarship Account.
- To connect this NY 529 *Direct Plan* account to the NYC Scholarship Account, the same child must be listed as the beneficiary on both accounts. You will need to provide the Social Security Number or Taxpayer Identification Number and street address for the beneficiary of this account.
- **Ugift** is an easy, free-to-use service that lets 529 plan account owners encourage family and friends to celebrate children's milestones with the gift of college savings, in lieu of traditional gifts. Account owners receive a unique Ugift code for each beneficiary/student, which can be shared with others and used to contribute here at [Ugift529.com](https://Ugift529.com). All gift contributions sent in to Ugift are invested into the student's 529 plan account and are intended to be used only for qualified college and college-related expenses (as per laws that govern use of 529 plan assets).

If you have decided to open and connect a new NY 529 *Direct Plan* account or want to connect an existing account, follow the steps below.

## How to open and connect an NY 529 *Direct Plan* account:

1. Visit [nykidsrise.org](https://nykidsrise.org) on your computer or mobile phone. Click on the yellow **Log Back In** button in the top right corner of the screen.
2. Scroll down and click on the **Log Back In** button and then click on **Continue**.
3. Enter the email and password you created when you activated and viewed your child's NYC Scholarship Account and click on the **Log In button**.
4. Once you have logged into Savings Tracker, scroll down the page and click the orange **Create/Connect 529 Account button**.
5. Read the pop-up message, and click **OK** if and when you are ready to continue.
6. **Connect to your NY529 Account.**

### To connect an existing NY 529 account:

- If you already have an NY 529 *Direct Plan* account with your participating child listed as the beneficiary, you can connect that account to your child's NYC Scholarship Account.
- To do this, **do not click Enroll Now**. Instead, fill in your [nysaves.org](https://nysaves.org) **username** under the words "Sign in".
- Once you have signed in, skip to step 23 of this guide.

### To open a new NY 529 account and connect it:

- Click **Enroll Now** in the box toward the bottom of the login page.
- Go on to step 7 of this guide.

7. Enter the information for the **Account Owner**, including name, phone number, and email address. Also create a password for your account. Then click **Get Started**.
8. Select how you heard about the NY 529 *Direct Plan* and click **Continue Enrollment**.
9. Enter the **Account Owner's** address and press **Continue**. For more information on this and other steps, click the **Tips** button toward the bottom right of the screen.
10. Enter the **Account Owner's** Social Security Number or Individual Taxpayer Identification Number, birth date, and citizenship status.
  - NY 529 is required to ask for this information to identify each person who opens an account. If you don't provide the information, they may not be able to open your account.
  - Note that the options under citizenship are U.S. Citizen or Resident Alien. The definition of Resident Alien used by the NY 529 *Direct Plan* is the IRS definition.
  - The IRS considers you a resident alien of the United States for tax purposes if you meet either the green card test or the substantial presence test for the calendar year (January 1-December 31). For more information, please visit the IRS website at <https://www.irs.gov/individuals/international-taxpayers/determining-an-individuals-tax-residency-status>. If you do not have this information, remember that family and friends can open an account for your child. Contact NYC Kids RISE for more information.
11. Decide on the **Beneficiary** and fill in the requested information. Then press **Continue**.
12. Decide on the **Successor Account Owner** and fill in that person's name and date of birth. Then press **Continue**.
  - Adding a successor to the account is optional, but encouraged.

13. Choose your investment strategy.

- Click on the two options, **Age-Based** or **Custom Portfolio**, for more information about each one.
- **If you select Age-Based, you can choose from three risk levels:** Aggressive, Moderate, or Conservative.
- Click on each risk level for more information. To learn what type of investor you are, click **Learn More** below the "Conservative" button.
- If you select Custom Portfolio, you will select a mix of investments to add to a total of 100%. Unlike the age-based option, this mix will not change as the child gets older. It will stay the same over time. Click the blue button next to each portfolio for more information.
- For more information, go to [nysaves.org](https://nysaves.org) and click **Which investments should I choose?**
- Detailed information about the investment options is also available in the Disclosure Booklet. For more information on choosing between investment options, you can call NY 529 at [877-697-2837](tel:877-697-2837). You may also talk to a tax or financial advisor.

**Note:** NYC Kids RISE cannot offer any guidance on the various investment options available or which may be suitable for you.

14. Once you have selected an investment option or options, click **Continue**.
15. **Choose how you would like to fund your account:**
  - Deposit from a Bank Account:** You can choose to make an initial deposit from a checking or savings account.
  - Payroll Deduction:** If your employer supports this, you can choose to have a specific amount withdrawn from your paycheck at each pay period and deposited into your NY 529 account. Ask your employer about whether they support this option.
  - By Check:** If you prefer to deposit into your account with a check, you can print a form at the end of this process and send it in, with a check, to the NY 529 *Direct Plan* by mail.

**By Rollover:** You can also roll-over money into this account from other kinds of accounts. For more information, contact NY 529 at [877-NYSAVES \(877-697-2837\)](tel:877-NYSAVES) or visit their website at [nysaves.org](http://nysaves.org).

16. Once you make your selection and fill in the requested information, click **Continue**.

- You do not have to make a deposit to open an account. To open your account without making a deposit, select the "Check" option and click **Continue**.
- You can deposit as little or as much as you would like. There is no minimum amount.
- Clicking on each option tells you the information you need to use that funding source.

17. Choose whether you would like to open another 529 account for a different beneficiary, or child.

- If so, click **Yes, Add Another Beneficiary**, return to Step 10, and complete the process again for the new child.
- If not, click **No, Let's Finish Up** and continue to Step 18.

18. Create a Username for your account so that you can log in again.

19. Select and answer three security questions. Select a Security Image and give it a name so that you will easily remember it. Once you are done, click **Continue**.

20. Activate your Ugift Code by making sure the check mark is filled in. Then press **Continue**.

- Saving for college is easier with the help of friends and family!

21. Choose how you would like to receive information about your account from NY 529, and review the electronic delivery information. Then press **Continue**.

22. Review your application to make sure it is correct.

- Review all of the information you entered. Correct any mistakes.
- Confirm you have received the Disclosure Booklet. You should read these materials to fully understand the features and risks of an investment in the NY 529 *Direct Plan*.

23. Click **Sign** to confirm you have read and agree to the Disclosure Booklet terms and are ready to open an account.

24. Now that you have opened your account, you should see an authorization page. **This is where you can connect your new NY 529 Direct Plan account to your child's NYC Scholarship Account.** This will allow you to view the balance (the amount of money) of both accounts on your Savings Tracker.

Carefully review this authorization page and click **I Authorize** when you are ready.

25. Click the small circle next to the name of your child and click **OK**.

**Congratulations, you have opened and connected your NY 529 Direct Plan Account!**

Your new account will appear under "Your College Savings Accounts" in your Savings Tracker within 24 hours.

If your new account does not appear under "Your College Savings Account" within 48 hours, please call the NYC Kids RISE hotline at [833-543-7473](tel:833-543-7473) or email [info@nyckidsrise.org](mailto:info@nyckidsrise.org).

If you have questions about the NY 529 *Direct Plan* enrollment process, you can call NY 529 at [877-NYSAVES \(877-697-2837\)](tel:877-NYSAVES).