



# Choose the Right College and Career Savings Account

Once you activate and view your child's NYC Scholarship Account, you can take the next step in the Save for College Program: Opening and connecting a college and career savings account that you own for the benefit of your child! By taking this step you will earn a \$25 reward from NYC Kids RISE for your child's NYC Scholarship Account.

Use the worksheet below to learn about the differences between the two account options available through the Save for College Program, check off the options that work best for you, take note of your own questions, and identify which account makes most sense for you.

	NY 529 Direct Plan Account	Amalgamated Save For College Bank Account
<b>What is it?</b>	<input type="checkbox"/> A 529 account is a type of investment account created to help families save for college and career training. Money in a 529 account can grow over time, but it can also lose value. Money in this account grows tax-free, and earnings are tax-free upon withdrawal if used for qualified higher education expenses at eligible institutions.	<input type="checkbox"/> This is a traditional savings accounts at Amalgamated Bank, with a child named as the beneficiary. Deposits in this savings account are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. <sup>1</sup>
<b>How can I open this account and connect to my child's NYC Scholarship Account?</b>	<input type="checkbox"/> Log back into Savings Tracker at <a href="http://nyckidsrise.org">nyckidsrise.org</a> and click the create/connect button to start your NY 529 Direct Plan application.	<input type="checkbox"/> Visit an Amalgamated Bank branch located in NYC and ask to open an Amalgamated Save for College Bank Account. Find your closest branch at <a href="http://amalgamatedbank.com/find-branch-or-atm">amalgamatedbank.com/find-branch-or-atm</a> .  <input type="checkbox"/> For more information, contact Amalgamated Bank: 800-662-0860.
<b>How could the savings change over time?</b>	<input type="checkbox"/> Money in this account can grow over time, but can also lose value based on the investments selected.	<input type="checkbox"/> Money in this account will earn interest.
<b>Does this account come with tax benefits?</b>	<input type="checkbox"/> This account comes with tax benefits, including tax-free earnings and potential state income tax deductions. <ul style="list-style-type: none"> <li>• Money in the account grows state and federal tax-deferred, meaning earnings do not count toward your taxable income.</li> <li>• New York State taxpayers may deduct up to \$5,000 per year (\$10,000 for married couples filing jointly) for contributions to this account when calculating state taxable income.</li> <li>• State tax deductions may be subject to recapture in certain circumstances such as rollovers to another state's 529 plan or nonqualified withdrawals.</li> <li>• Withdrawals are federal and NY State tax-free, as long as they are used for qualified higher education expenses.<sup>2</sup></li> </ul>	<input type="checkbox"/> This account does <b>not</b> come with tax benefits.
<b>What do I need to open an account?</b>	<input type="checkbox"/> To enroll in this account, you will need: <ul style="list-style-type: none"> <li>• A valid Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) for the account owner and the beneficiary;</li> <li>• Date of birth of the account owner and beneficiary;</li> <li>• An email address to enroll online for the account owner;</li> <li>• A verified U.S. address.</li> </ul>	<input type="checkbox"/> To enroll in this account, you will need: <ul style="list-style-type: none"> <li>• A valid Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) of the account owner and the beneficiary;</li> <li>• A valid photo ID of the account owner;</li> <li>• Address and date of birth of the account owner;</li> <li>• Child's name and date of birth; and</li> <li>• An email address for the account owner (recommended).</li> </ul>
<b>What can the savings be used for?</b>	<input type="checkbox"/> Money in this account is specifically marked for college and career education expenses (including textbooks, laptops, tuition, etc.). Withdrawals from this account may incur tax penalties if the money is not used for higher education expenses.	<input type="checkbox"/> There are no legal restrictions to uses in this account. There are no withdrawal penalties with this account. However, the intent of this kind of account is for a child's college and career education and not for other purposes.

<sup>1</sup>The standard deposit insurance coverage limit is \$250,000 per depositor, per FDIC-insured bank, per ownership category. Deposits held in different ownership categories are separately insured, up to at least \$250,000, even if held at the same bank.

<sup>2</sup>Earnings on federal nonqualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. New York State tax deductions may be subject to recapture in certain additional circumstances such as rollovers to another state's 529 plan, or withdrawals used to pay elementary or secondary school tuition, registered apprenticeship program expenses, or qualified education loan repayments as described in the Disclosure Booklet and Tuition Savings Agreement. State tax benefits for non-resident New York taxpayers may vary. Tax and other benefits are contingent on meeting other requirements. Please consult a tax advisor about your particular situation.



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	NY 529 <i>Direct Plan</i> Account	Amalgamated Save For College Bank Account
<b>How much money do I have to deposit into the account and is there a minimum balance?</b>	<input type="checkbox"/> No minimum amount to deposit is required for this account. However, NY 529 may close your account if there are no deposits after six months. If they close your account, NY 529 will send you information by mail with instructions on how to reopen the account. Once they close the account, you will have another six months to make a deposit (which can be as low as \$1) by mailing a check or money order, or by calling NY 529 at 877-697-2837. If you do not make a deposit in that time period, you will have to fill out a new enrollment form to reopen your account.	<input type="checkbox"/> No minimum balance or minimum amount to deposit is required for this account. However, your account may be closed after nine months if you do not deposit any funds into it, so we encourage you to make a deposit of at least \$5 shortly after opening.
<b>How often do I have to deposit in the account?</b>	<input type="checkbox"/> You can deposit whatever amount you want and keep any amount you want in this account (up to the maximum account balance allowed by the NY 529 <i>Direct Plan</i> ).	<input type="checkbox"/> You can deposit whatever amount you want and keep any amount you want in this account. You need to make at least one deposit within the first 9 months.
<b>Could my eligibility for public benefits be affected by saving money in this account?</b>	<input type="checkbox"/> Possibly. Visit <a href="http://nyckidsrise.org/downloadable-resources">nyckidsrise.org/downloadable-resources</a> to find more information on public benefits impacts. For more support, call NYC Kids RISE at 833-KID-RISE (833-543-7473).	<input type="checkbox"/> Possibly. Visit <a href="http://nyckidsrise.org/downloadable-resources">nyckidsrise.org/downloadable-resources</a> to find more information on public benefits impacts. For more support, call NYC Kids RISE at 833-KID-RISE (833-543-7473).
<b>Could saving in this account affect my child's eligibility for federal and state financial aid (according to current financial aid rules)?</b>	<input type="checkbox"/> Possibly. If your household income is less than \$50,000, savings in this account will usually not affect your child's eligibility for federal financial aid. If your household income is greater than \$50,000, only a small part of the savings in this account will be counted for federal financial aid eligibility. These answers may change in future years. For more detailed information, read the "Impact on Future Financial Aid" guide on our website: <a href="http://nyckidsrise.org/downloadable-resources/#additional-materials">nyckidsrise.org/downloadable-resources/#additional-materials</a> .	<input type="checkbox"/> Possibly. If your household income is less than \$50,000, savings in this account will usually not affect your child's eligibility for federal financial aid. If your household income is greater than \$50,000, only a small part of the savings in this account will be counted for federal financial aid eligibility. These answers may change in future years. For more detailed information, read the "Impact on Future Financial Aid" guide on our website: <a href="http://nyckidsrise.org/downloadable-resources/#additional-materials">nyckidsrise.org/downloadable-resources/#additional-materials</a> .
<b>Use this space to count how many checkboxes you selected for each account and summarize benefits and drawbacks</b> →	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>

*NOTE: These are not the only ways to save for college. However, the specific features and benefits provided by the Save for College Program for college and career savings accounts are available only for these two options. 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. You may wish to explore other alternatives, such as 529 plans offered by other states and savings accounts offered by other banks, to see if they might be a better fit for you and your family.*

*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.*