



Frequently Asked Questions

Resource for Parents and Guardians



Top 5 Things You Should Know

1. All families with kindergarten or first grade students enrolled in an NYC public school (including participating charter schools) are eligible to participate in the Save for College Program, no matter their income or immigration status.
2. If eligible, your child will be **automatically enrolled** in the Program unless you choose not to participate and opt out.
3. Once enrolled, you will receive a Welcome Kit with information on how to activate your child's free NYC Scholarship Account, which will have an initial \$100 allocation from NYC Kids RISE on your child's behalf.
4. After you activate your child's NYC Scholarship Account, you can complete other foundational steps—known as Building Blocks—to earn additional rewards.
5. Money in the NYC Scholarship Accounts can be used for a variety of college or career training expenses.

1. What is the NYC Kids RISE Save for College Program?

The NYC Kids RISE Save for College Program is a scholarship and savings program designed to make college and career training more accessible for all NYC public school students—regardless of family income or immigration status.

Through the Save for College Program, every kindergarten student enrolled in an NYC public school (including participating charter schools) automatically receives an NYC Scholarship Account with an initial \$100 allocation on their behalf, unless their parents or guardians “opt out” of the Program. Families can earn additional scholarship funds toward this account in rewards. Communities can also contribute additional money to groups of NYC Scholarship Accounts to demonstrate their community’s support for every child’s success.

The funds allocated to the NYC Scholarship Accounts are invested in an account in New York’s 529 College Savings Program *Direct Plan* that is owned and managed by NYC Kids RISE, a nonprofit organization, on behalf of participating students. Parents and guardians cannot make deposits to or withdrawals from the NYC Scholarship Accounts, which can only be used for qualified higher education expenses by the participating student. If a student in the Program does not claim their NYC Scholarship Account funds within 20 years after they complete kindergarten, then those funds will go back to NYC Kids RISE to support future Save for College Program students.

However, as the parent or guardian of a participating student, you may open and/or connect a college and career savings account that you own for the benefit of your child through the Program. Then, you can start saving in ways and amounts that make sense for your finances.

Altogether, the Save for College Program enables parents and guardians, family members, friends, schools, communities, businesses, and government to work together to build assets and support

expectations of educational and economic success for every child.

2. Who is eligible to participate in the Save for College Program?

As of school year 2022-2023, every kindergarten and first grade student enrolled in an NYC public school (including participating charter schools) can participate—their family’s income and immigration status do not matter.

Because the Program was piloted in geographic School District 30 starting in 2017, every kindergarten through fifth grade student in the 39 pilot schools is eligible to participate.

Eligible students must attend a participating school for at least 60 days to be enrolled in the Save for College Program.

3. How do I participate?

If your child is eligible, it’s easy to get started with the Save for College Program! Here’s how:

- **Simply take no action** when you receive notice from your child’s school that the Opt-out Process has started (you will receive information about the Opt-out Process at that time).
- After the Opt-out Process is over, your child will be automatically enrolled in the Save for College Program and NYC Kids RISE will create an NYC Scholarship Account and allocate an initial \$100 on your child’s behalf.
- You will receive a **Welcome Kit** with additional information and instructions from NYC Kids RISE. If you do not opt out in the fall, you should expect to be able to activate your child’s account in the new year. (The timeframe of when you can activate your child’s account may vary if you enroll at a later date.)
- After you receive your Welcome Kit, register on the online platform, Savings Tracker, to

activate your child's NYC Scholarship Account and track it over time. You will also receive information about how to take other foundational steps in the Program.

4. How does the “scholarship” part of the Save for College Program work?

Once your child is enrolled in the Program, NYC Kids RISE will create an NYC Scholarship Account and automatically allocate \$100 toward your child's educational future. Over time, NYC Kids RISE will offer opportunities for your family to earn more money for your child's NYC Scholarship Account. Community organizations, businesses, and others can also add to the scholarship accounts to help your child reach their college and career goals.

NYC Kids RISE, a nonprofit organization, owns and manages the scholarship funds on behalf of participating students, and invests the funds in the NY 529 *Direct Plan*, a type of investment account specifically designed to help save for higher education. NYC Scholarship Accounts can gain or lose money over time, depending on financial markets and the performance of the investment.

If you are the parent or guardian of an eligible child, as long as you do not opt out of the Program, NYC Kids RISE will create and fund this NYC Scholarship Account on your child's behalf. You will receive a Welcome Kit from NYC Kids RISE when your child's NYC Scholarship Account is created. To activate and view over time the scholarship funds allocated to your child's NYC Scholarship Account:

- You will **NOT** be required to deposit money
- You will **NOT** be required to provide your Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), bank account, or credit card information
- You will **NOT** be required to provide economic or immigration status information
- There is **NO** maximum or minimum income to participate

5. How does the “savings” part of the Save for College Program work?

After your child receives their NYC Scholarship Account, you will receive more information on how to create a college and career savings plan that is right for you and your family. To build on the money invested for your child's NYC Scholarship Account, you can open and/or connect a college and career savings account that you own for the benefit of your child through the Program. You can also choose to open and/or connect an account in the NY ABLE Savings Program, as long as the participating student is eligible for this type of account.¹

Unlike the NYC Scholarship Account that is owned and managed by NYC Kids RISE for your child's future education, your family owns your connected account. You, your relatives, and your friends can contribute directly to this account. Depending on which type of savings account you choose, your family can track your own savings balance along with your child's NYC Scholarship Account online, through the NYC Kids RISE Savings Tracker.

¹ Authorized through The Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act of 2014, ABLE accounts are tax advantaged savings vehicles that allow individuals with disabilities to save for disability related expenses, without the risk of losing their benefits from assistance programs like Supplemental Security Income (SSI) and Medicaid (some restrictions apply).

Proceeds of the NYC Scholarship Account are held in a 529 account in New York's 529 College Savings Program, rather than in an account in the NY ABLE Program. Therefore, upon distribution, such account proceeds may be counted as assets with regard to any needs-based benefits that the NY ABLE Account Owner receives.

Learn about your savings account options by visiting nyckidsrise.org/options, attending an NYC Kids RISE virtual workshop, calling our hotline at 833-KID-RISE (833-543-7473), emailing us at info@nyckidsrise.org, making an appointment to speak with an NYC Kids RISE representative, or going to a free financial counseling appointment at an NYC Financial Empowerment Center.

6. What can the money in the NYC Scholarship Account be used for? Are there any restrictions on how it can be used? What if my child does not go to college?

Money in the NYC Scholarship Account is invested in the NY 529 *Direct Plan* and can be used for a variety of higher education expenses. Even though the 529 account is called a college savings account, the account can be used to pay for qualified higher-education expenses at any eligible institution in the U.S. and abroad. In addition to traditional 4-year colleges and universities, other types of eligible institutions include community colleges, trade and vocational schools, eligible apprenticeship programs, and online degree programs. The scholarship funds can be used for tuition, fees, equipment, some room-and-board expenses, and even textbooks, which are often not covered by other scholarships. Visit nysaves.org for a full list of qualifying higher education expenses.

If a student in the Program does not claim their NYC Scholarship Account funds within 20 years after they complete kindergarten, then those funds will go back to NYC Kids RISE to support future Save for College Program students.

Money in the NYC Scholarship Account cannot be used for any kindergarten through grade 12 expenses, including those that qualify under federal law.

Please note that NYC Kids RISE is exploring ways to be able to transfer the funds of an NYC Scholarship Account into an NY ABLE account for students with

disabilities at the time of distribution.

7. If I do not opt out, what information does NYC Kids RISE receive about my child and me to enroll my child in the Save for College Program?

NYC Kids RISE receives the following pieces of information from the NYC Department of Education for every participating student:

- Student and parent identification numbers that are unique to the Program;
- Student's full name;
- Student's birth date;
- Student's home address;
- Whether the student's home address changes;
- Student's home phone number;
- Student's school name;
- Student's current grade level;
- Language(s) spoken at student's home;
- Transfers made to other schools, if any, both inside and outside the NYC public school system.

NYC Kids RISE also receives the following information for up to two parents or guardians per participating student:

- Parent or guardian full name;
- Parent or guardian email address;
- Parent or guardian cell and/or other phone number.

This is similar information to what you submit on the "blue card" when you enroll your child in school. This data allows NYC Kids RISE to set up an NYC Scholarship Account for every participating child and make an initial allocation of \$100 toward each one. NYC Kids RISE follows strict privacy and confidentiality guidelines for all family information.

8. What if I don't want to participate?

To tell your school that you do not want your child to be enrolled in the Save for College Program, you must return a signed opt-out form or opt out in your NYC Schools Account within a 30-day period. Taking either of these actions means your child will not receive an NYC Scholarship Account, the \$100 investment, or future funds. Please refer to your child's opt-out form or visit schools.nyc.gov/learning/student-journey/college-and-career-planning/nyc-kids-rise-save-for-college-program for specific details.

9. If I choose not to participate in the Save for College Program now, can I enroll my child at a later date?

Yes, parents and guardians who opted out but later change their minds and wish their child to participate can re-enroll at a later date. Families have until the end of their child's fifth-grade year to re-enroll. Visit schools.nyc.gov/learning/student-journey/college-and-career-planning/nyc-kids-rise-save-for-college-program for specific details.

10. Can I cancel my child's participation in the Save for College Program after the Opt Out Notice deadline?

Yes, you may cancel your child's participation after being initially enrolled. Visit schools.nyc.gov/learning/student-journey/college-and-career-planning/nyc-kids-rise-save-for-college-program for specific details and instructions.

11. How does immigration status affect my ability to participate?

It doesn't! All eligible students can participate in the

Save for College Program regardless of immigration status.

Families **do not** need to provide a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) for their child to be enrolled in the Program and receive an NYC Scholarship Account.

However, when considering whether to open a college and career savings account that you own for the benefit of your child to save alongside the NYC Scholarship Account, please note that the savings account options do require either an SSN or an ITIN to open. In addition, if you choose to open and connect a NY 529 *Direct Plan* or NY ABLE account as your savings option, you must meet the Internal Revenue Service (IRS) definition of U.S. citizen or permanent resident with a verified U.S. address. If you do not have this information, remember that a family member or trusted friend can open a NY 529 *Direct Plan* account for your child.

You **do not** need to open your own account for your child to receive the free NYC Scholarship Account that is created and managed by NYC Kids RISE on your child's behalf.

12. How does having an NYC Scholarship Account affect qualification for public benefits?

Because the NYC Scholarship Accounts are owned and managed by NYC Kids RISE, having a scholarship account **does not** impact a student's or family's application for public benefits. If a family saves money in their own college and career savings account, that asset may impact certain benefits. For more information on how contributing to your own college and career savings account may impact your benefits, visit nykidsrise.org/download-resources/#additional-materials and download "The Save for College Program and Public Benefits" handout for more information.

13. How does having an NYC Scholarship Account affect qualification for financial aid?

Because the NYC Scholarship Accounts are owned and managed by NYC Kids RISE, having a scholarship account does not impact a student's eligibility for financial aid while the money is in the account. NYC Kids RISE will provide more information as your child gets closer to college about how using the scholarship account money for your child's education could impact their eligibility for financial aid once the money is spent. There may or may not be an impact.

If a family saves money in their own college and career savings account, these savings may impact the student's financial aid package. For more information on how contributing to your own college and career savings account could impact your student's eligibility for financial aid under current financial aid rules, visit nyckidsrise.org/download-resources/#additional-materials and download "The Save for College Program and Impact on Future Financial Aid" handout for more information. Please note that these financial aid rules often change over time.

14. Will this scholarship prohibit my child from receiving other scholarships in the future?

Having an NYC Scholarship Account should not prohibit your child from receiving other scholarships in the future, though that may depend on the terms of those other scholarships. Please review the terms of those scholarships.

15. Why was the Save for College Program created?

It can be difficult to save for a child's educational future. For many families, sending their children to college may seem out of reach. NYC Kids RISE, in partnership with the City of New York and the NYC Department of Education, started the Save for College Program to support families to begin saving and planning for college and career training from their child's very first days of school. Research shows that children with a college savings account of between \$1 and \$500 are three times more likely to enroll in college and more than four times more likely to graduate. Research also shows that children who attend college earn a significantly higher salary over their lifetimes and are less likely to be unemployed.

LEARN MORE: Talk to your child's school or contact NYC Kids RISE at 833-543-7473, info@nyckidsrise.org or visit nyckidsrise.org.

NYC Kids RISE is a nonprofit organization working with the City of New York and the Department of Education to manage the Save for College Program.

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.

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