



Financial Wellness

LUNCH & LEARN SERIES

IU HUMAN RESOURCES

Housekeeping

- **Sessions are not recorded.** Slides may be available as a PDF in the chat.
- All attendees have been placed on **mute**. If you have technical issues, please message an IUHR representative in the chat for assistance.
- Watch the **chat** for helpful links to additional information.
- **Please put all questions in the Q&A box.** Do not put any questions related to a personal situation or list personal details in the Q&A.
- At the end of today's session, you will be asked to complete a brief survey.



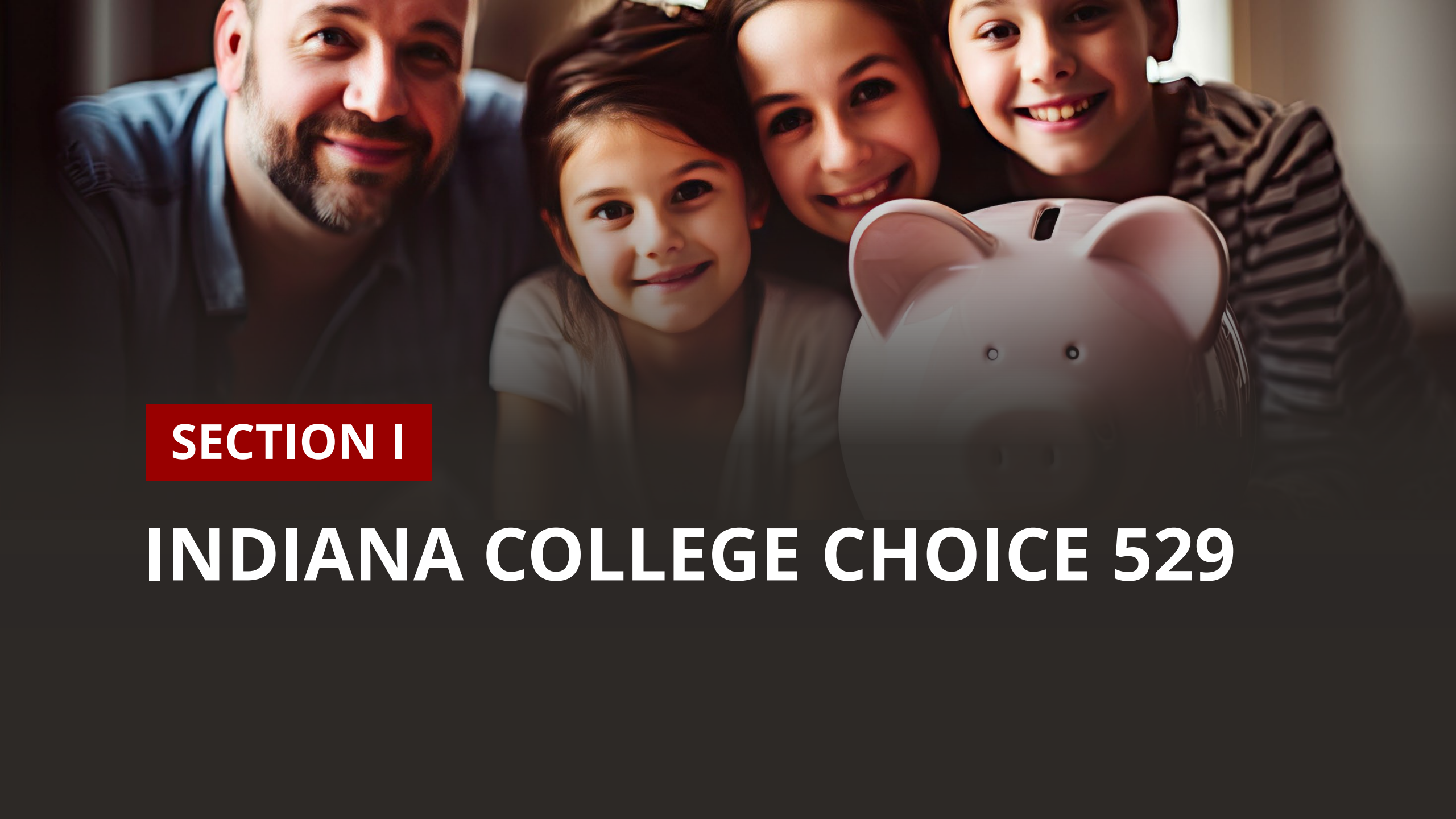


INDIANA COLLEGE CHOICE 529 & IU TUITION BENEFIT

Sue Dukeman, Manager, Retirement, IU Human Resources

Philip Waddle, Sr. Institutional Relationship Manager for College Choice 529

Danielle Abplanalp Manager, Healthcare Benefits IU Human Resources



SECTION I

INDIANA COLLEGE CHOICE 529



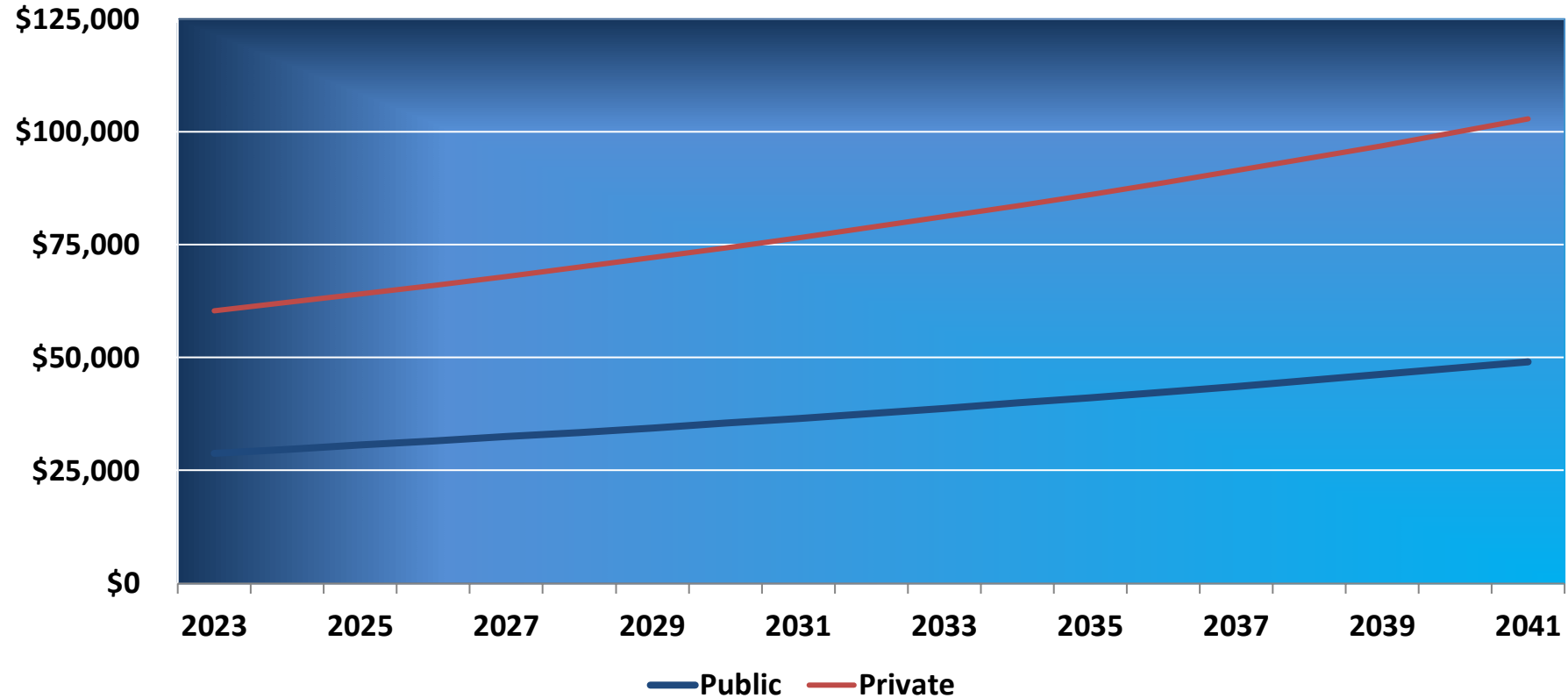
Big plans start with
a simple choice:
CollegeChoice 529

Phillip Waddles
phillip.waddles@ascensus.com

CollegeChoice529[★]
DIRECT SAVINGS PLAN

The Cost of College is Rising

Estimated annual college costs*



Source: The College Board, Trends in College Pricing and student aid 2023-2024.. Average total 4-year college costs include tuition, fees, room and board for the 2023-2024 school year increasing at 3% annual inflation rate per year. This chart is for illustrative purposes only. Actual costs will vary.

Why you should be saving for education now

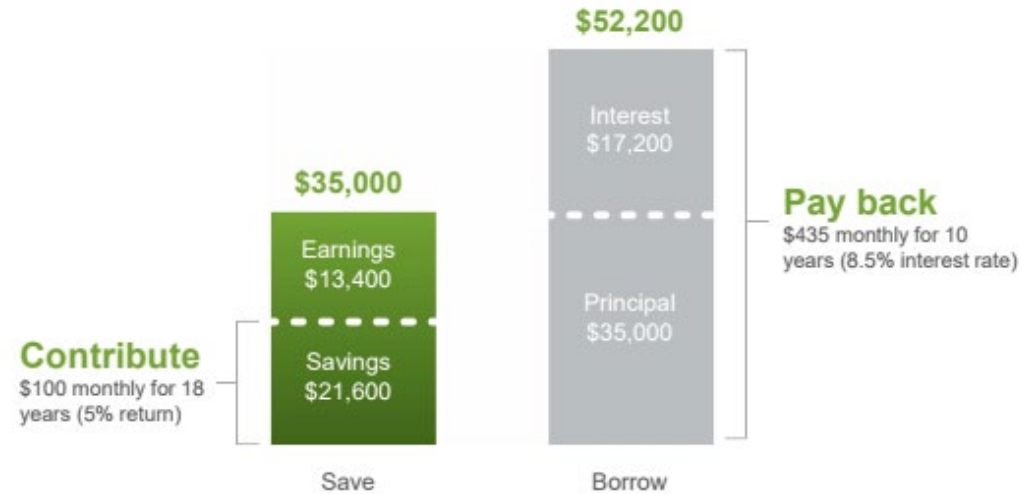
- \$24,030 – average annual cost of tuition, fees, room & board at an in-state public college or university*
- \$32,874 – the average student debt upon graduation**
- 57% of students in Indiana leave with debt**
- Only 33% of students graduate within four years***
- Saving any amount ahead of time creates an expectation of attending and completing post-high school education, and most importantly, can potentially reduce or eliminate the need for costly student loans

* Source: College Board, *Trends in College Pricing, 2023*.

** The Institute for College Access and Success, *State by State Data 2023*.

Saving now can help ease post-education debt

- Scenario 1: Emma's parents start investing \$100/month into a 529 plan account right after her birth
 - In 18 years (assuming 5% annual rate of return) they could potentially save more than \$35,000*



This hypothetical example is for illustrative purposes only and assumes no withdrawals made during the period shown. It does not represent an actual investment in any particular 529 plan and does not reflect the effect of fees and expenses or any taxes payable upon withdrawal. Your actual investment return may be higher or lower than that shown. The loan repayment terms are also hypothetical. Loan rates and monthly payments may be higher or lower than shown.

- Scenario 2: Emma (or her parents) borrow \$35,000 to pay for education
 - Based on a private student loan interest rate of 8.5%, they could be faced with monthly payments of \$435 for 10 years (or \$52,200)
- * A plan of regular investment cannot assure a profit or protect against a loss in a declining market.



The CollegeChoice 529 Direct Savings Plan: An Overview

The CollegeChoice 529 Direct Savings Plan

Sponsored by:

State of Indiana

Indiana Education Savings Authority

Chaired by Treasurer of State Daniel Elliott



In partnership with:

Ascensus Government Savings



Indiana State Tax Credit

- **Special State Benefits**

- Contributions are eligible for a state income tax credit *
- 20%, up to **\$1,500** credit per year
- Maximum credit allowed for a married taxpayer filing separately is **\$750.** **

*This credit may be subject to recapture from the account owner (not the contributor) in certain circumstances, such as a rollover to another state's qualified tuition program or a non-qualified withdrawal. Please note that, effective January 1, 2010, the Indiana state income tax credit will no longer apply to rollovers from another state's qualified tuition program or to transfers from the Upromise service into a CollegeChoice 529 account. All other contributions will continue to be eligible for the tax credit to the extent previously allowable.

Only CollegeChoice offers Indiana taxpayers an Indiana State Tax Credit



READYSAVE 529 APP

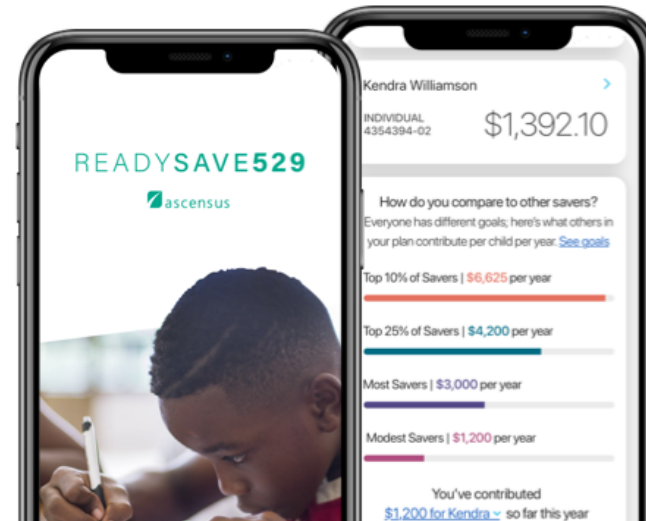
- Easy-to-use App to check your balance, make contributions, review your investments, and more!
- Manage your account any time from any device. Available on the Apple Store and Google Play.



Education savings at your fingertips

Introducing READYSAVE 529.

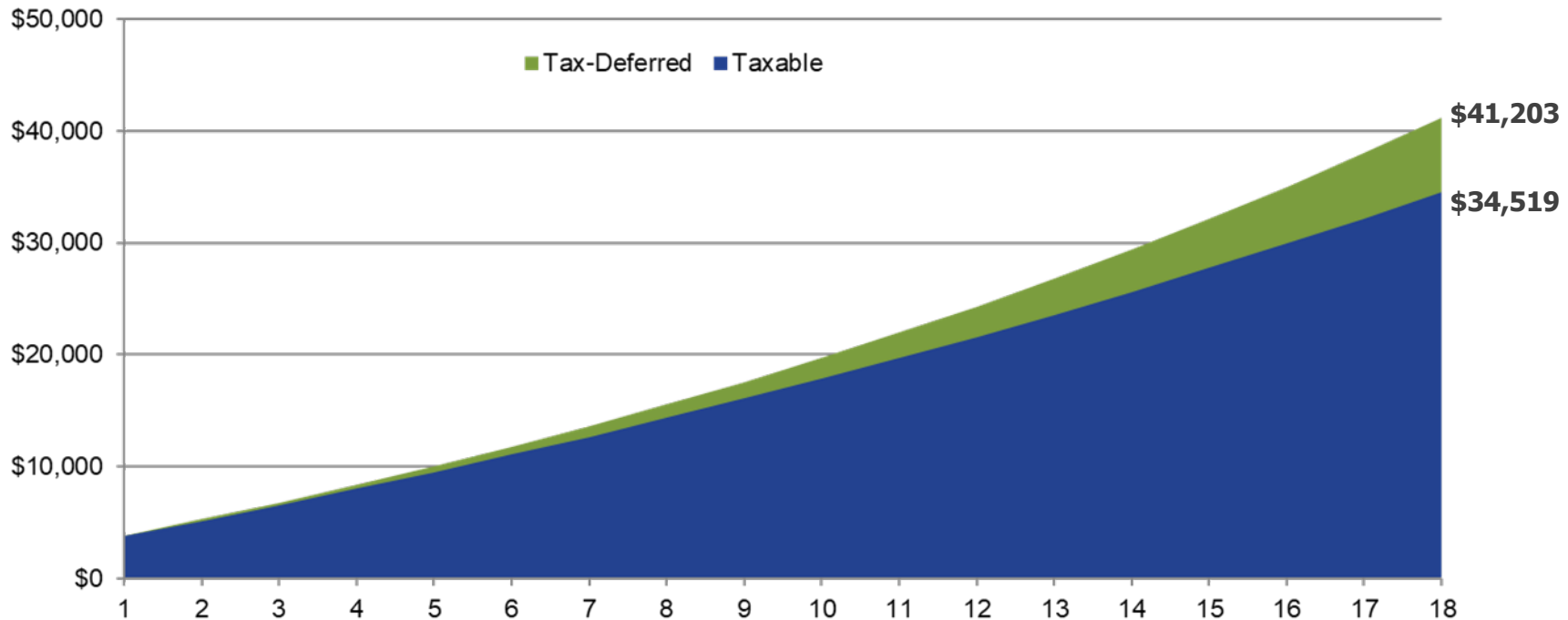
Use our new mobile app to check your balance, make contributions, review your investments, and more!



Tax-deferred Growth

Tax advantages can make your dollars grow faster

Year after year, the unique tax advantages of 529 plans can help your child go further on the path to a college education



Assumptions: \$2,500 initial investment with subsequent monthly investments of \$100 for a period of 18 years; annual rate of return on investment of 5% and no funds withdrawn during the time period specified; taxpayer is in the 32% federal income tax bracket for all options at the time of contributions. This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or any taxes or penalties payable/due upon distribution.

What are the tax benefits?

- **Tax-deferred growth**
 - Earnings grow tax-deferred until withdrawn
- **Tax-free withdrawals for qualified higher education expenses***
 - Use the money for tuition, fees, certain room & board costs, books, computers & required supplies and equipment.
 - Any qualifying post-secondary institution, including 2- and 4-year, public or private colleges or universities, vocational/technical schools, graduate programs, and eligible apprenticeships.**
- **Special tax credit for Indiana taxpayers**
 - Contributions to a CollegeChoice 529 account are eligible for a state income tax credit of 20%, up to \$1,500 credit per year. The maximum annual credit allowed for a married taxpayer filing separately is \$750. ***
 - Contributions must be postmarked by 12/31, or electronically initiated by 11:59 p.m. Eastern Time on 12/31, and in good order

* Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements. See the Disclosure Booklet for more details on qualified expenses.

** The apprenticeship program must be registered and certified with the Secretary of Labor under the National Apprenticeship Act.

*** This credit may be subject to recapture from the account owner (not the contributor) in certain circumstances, such as a rollover to another state's 529 plan, a non-qualified withdrawal, or a withdrawal for K-12 tuition expenses at a school outside of Indiana. Please note that, effective January 1, 2010, the Indiana state income tax credit will no longer apply to rollovers from another state's qualified tuition program or to transfers from the Upromise service into a CollegeChoice 529 account. All other contributions will continue to be eligible for the tax credit to the extent previously allowable. Contributions to your Account are eligible for an Indiana income tax credit if you are an Indiana taxpayer (resident or non-resident) filing a single, joint or, effective January 1, 2020, married filing separately return. The tax credit works differently depending on the type of education expenses for which you use your Account.

How affordable and flexible is the Plan?

- **Low fees**
 - 0.14% to 0.64% of invested assets, depending on the investments chosen
 - \$20 annual account fee (waived when account owner or beneficiary is an Indiana resident, or if account balance is \$25,000+)
- **Low contribution amounts**
 - \$10 (per paycheck) for contributions made through payroll deduction
 - \$10 minimum for all one-time or ongoing contributions (electronic fund transfer, Automatic Investment Plan* or check)
- **High maximum contribution limits**
 - \$18,000 per contributor per beneficiary annually
 - \$450,000 per beneficiary in all accounts

*A plan of regular investment cannot assure a profit or protect against a loss in a declining market.

What are the investment options?

- Year of Enrollment Portfolios
 - One-stop investing
 - Make investing even simpler by selecting an investment option that automatically rebalances as your child near college enrollment
- Individual Portfolios
 - Wide range of investments from respected firms



J.P.Morgan
Asset Management



Vanguard

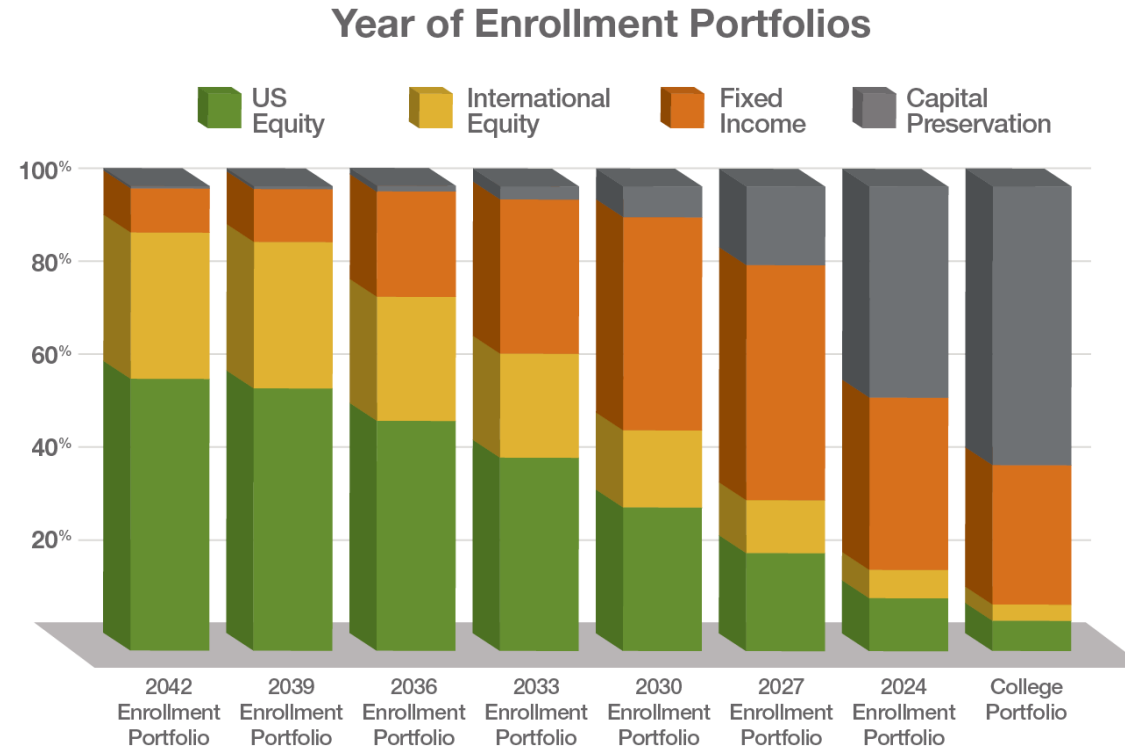
STATE STREET
GLOBAL ADVISORS



Scout Investments
AN AFFILIATE OF CARILLON TOWER ADVISERS

Year of Enrollment Portfolios



- Automatically become more conservative as the beneficiary approaches higher ed enrollment



You could lose money by investing in a portfolio which includes the Vanguard Short-Term Reserves Account which in turn invests in the Vanguard Federal Money Market Fund as well as Funding Agreements and Synthetic Investment Contracts (SICs). Although the money market fund in which your investment option invests (the “underlying fund”) seeks to preserve its value at \$1.00 per share, the underlying fund cannot guarantee it will do so. An investment in this investment option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The underlying fund’s sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

The Year of Enrollment Portfolios’ investment in the Stable Value Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Individual Portfolios

INVESTMENT MANAGER	PORTFOLIO
	Active U.S. Equity Portfolio seeks total return. Total return consists of capital appreciation and income.
 Dimensional	Inflation-Protected Portfolio seeks to provide inflation protection and earn current income consistent with inflation-protected securities.
	Active International Equity Portfolio seeks to provide high total return from a portfolio of selected equity securities.
	Savings Portfolio seeks income consistent with the preservation of principal.*
	Active Bond Portfolio seeks to achieve a high level of relative return, consistent with the preservation of capital.†
	International Equity Index Portfolio seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of a broad-based index of world (ex-U.S.) equity markets over the long term.
	<p>Bond Index Portfolio seeks to track the performance of a broad, market-weighted bond index.</p> <p>Stable Value Portfolio seeks income consistent with the preservation of principal.†</p> <p>U.S. Equity Index Portfolio seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.</p>

* The Savings Portfolio invests all of its assets in the NexBank High-Yield Savings Account, ("HYSA"). The HYSA is held in an omnibus savings account insured by the Federal Deposit Insurance Corporation ("FDIC"), which is held in trust by the Indiana Education Savings Authority ("Authority") at NexBank. Contributions to and earnings on the investments in the Savings Portfolio are insured by the FDIC on a pass-through basis to each account owner up to \$250,000, the maximum amount set by federal law. The amount of FDIC insurance provided to an account owner is based on the total of (a) the value of an account owner's investment in the Savings Portfolio; and (b) the value of all other accounts held by the account owner at NexBank, as determined by NexBank and FDIC regulations. Except for the Savings Portfolio, investments in CollegeChoice 529 Direct Savings Plan are not insured by the FDIC.

** As a result of investing in undervalued sectors of the market as well as in non-investment grade securities, the Portfolio may at times experience periods of high volatility, especially when the market itself is experiencing dramatic volatility.

† You could lose money by investing in a portfolio which includes the Vanguard Short-Term Reserves Account which in turn invests in the Vanguard Federal Money Market Fund. Although the money market fund in which your investment option invests (the "underlying fund") seeks to preserve its value at \$1.00 per share, the underlying fund cannot guarantee it will do so. An investment in this investment option is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The underlying fund's sponsor has no legal obligation to provide financial support to the underlying fund, and you should not expect that the sponsor will provide financial support to the underlying fund at any time.

Account owners:

- Can be any U.S. citizen or resident alien*
- Are usually a parent, grandparent, other family member or friend
- Are not subject to income eligibility requirements
- Can own multiple accounts



Beneficiaries:

- Can be any U.S. citizen or resident alien**
- Are usually a child or grandchild, but can be anyone, including yourself or spouse
- Are not subject to income eligibility requirements
- Can be the beneficiary of multiple accounts

* The account owner retains control of how and when the money is used *

* Must be 18 or older, have a Social Security number or Tax Identification number, and a U.S. address that is not a P.O. Box.

** Must have a Social Security number or Tax Identification number, and a U.S. address that is not a P.O. Box.

What if the beneficiary doesn't go to college?

- Leave the money in the account until a later date
- Change the beneficiary to a “member of the family”
- Make a non-qualified withdrawal, subject to federal/state income tax & 10% federal penalty on the earnings portion only, and potential tax credit recapture
 - Several categories of withdrawals are exempt from the 10% penalty tax and tax credit recapture, namely a beneficiary's:
 - Receipt of a scholarship
 - Attendance at a military academy
 - Refunded Distribution
 - Disability or Death

Rollover to a Roth IRA***

The 529 account must have existed for at least 15 year

The lifetime maximum a 529 beneficiary can rollover is \$35,000

* Please see plan Program Disclosure Booklet for definition of “member of family”.

** Earnings on non-qualified withdrawals may be subject to federal income tax and a 10% federal penalty 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.

*** Transfers are subject to annual Roth IRA contribution limits. No contributions or earnings on contributions from the last 5 years can be transferred. Direct trustee-to-trustee transfer required to Roth IRA FBO Beneficiary.

How can you enroll?

- It's easy to enroll online in about 10 minutes
- You will need:
 - The account owner's Social Security Number, date of birth, permanent address, email address
 - The beneficiary's Social Security Number, date of birth, state of residence
- Select your investment option(s): Year of Enrollment or Individual Portfolio(s)
- Make your initial investment
 - \$10 with direct deposit*
 - \$10 with an Automatic Investment Plan*
 - \$10 with a check or electronic fund transfer
 - Rollover from another 529 program

*A plan of regular investment cannot assure a profit or protect against a loss in a declining market.

How does Payroll Deduction work?

- You can sign up for direct deposit during or after enrollment by:
 1. Enrolling in the Plan either online or with a paper application form;
 2. Generating a Payroll Deduction Instructions PDF and *mailing it to CollegeChoice 529.*
- Contribute as little as \$10 per account, per pay period (Direct Plan)
- Contributions to your 529 account are made from each paycheck *after taxes*
- You can start, stop, or change your direct deposit at any time by updating your direct deposit instructions online and mailing a new form to the Plan

Ugift® – Give the Gift of Education Savings

- Easy-to-use online gifting program. Account owners receive a unique Ugift code for each CollegeChoice 529 beneficiary that can be shared via email, social media, or printed out
- Invite family and friends to celebrate a beneficiary by gifting education savings at Ugift529.com alongside or in place of a traditional present
- Great for: birthdays, religious celebrations, graduations, holidays, or any other special occasion!
- Third-party gift contributors who are Indiana taxpayers are also eligible for the 20% state income tax credit of up to \$1500 (\$750 for married filing separately.**

*Ugift is a registered service mark of Ascensus Broker Dealer Services, LLC.

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Earn extra college savings with Upromise®



1. Join Upromise for free at www.upromise.com
2. Earn \$5.29 in bonus rewards when you open a new Upromise account.
3. Link your Upromise account to your CollegeChoice 529 account on the secure Upromise website to earn \$25 in bonus rewards
4. Earn additional rewards continuously by shopping online through upromise.com and dining at over 10,000 restaurants nationwide
5. You're automatically entered into the monthly Upromise 529 Scholarship drawing of five \$529 scholarships.

*Upromise is an optional program offered by Upromise, LLC, is separate from CollegeChoice 529, and is not affiliated with the State of Indiana. Terms and conditions apply to the Upromise program. Participating companies, contribution levels, and terms and conditions are subject to change at any time without notice. Transfers from Upromise to a CollegeChoice 529 account are subject to a \$50 minimum and do not count towards the Indiana state tax credit. Upromise and the Upromise logo are registered service marks of Upromise, LLC.

*Upromise and the Upromise logo are registered service marks of Upromise, Inc.

How do I learn more?

- Visit **www.collegechoicedirect.com**
 - Learn more about the Plan and investment options
 - Enroll online or request an enrollment kit
- Call **1.866.485.9415** to speak with a CollegeChoice 529 Client Service Representative
 - Monday through Friday, 8 a.m. to 8 p.m. ET
- Learn More about CollegeChoice CD at **www.collegechoicecd.com**
 - Contact a Service Representative at: **1.888.913.2885**
 - Monday through Friday, 9 a.m. to 6 p.m. ET
- Learn More about CollegeChoice Advisor at **collegechoiceadvisor529.com**
 - Contact a Service Representative at **1.866.485.9413**
 - Monday through Friday, 9 a.m. to 6 p.m. ET

CollegeChoice 529 Resources

- **Indiana Department of Revenue**
Income tax information bulletin 98
- **IRS Publication 970**
Tax benefits for education, qualified withdraws
- **Savingforcollege.com**

CollegeChoice529 Field Representative



Phillip Waddles
**Senior Institutional Relationship
Manager**

PH: 317-332-0787

E: phillip.waddles@ascensus.com

www.Indianas529.com

Mr. Waddles is a registered representative of Ascensus Broker Dealer Services LLC, 877-529-2980, 95 Wells Ave, Newton MA (member FINRA/SIPC) and is not employed by the State of Indiana."

Questions and answers



Important legal information

***For more information about the CollegeChoice 529 Direct Savings Plan (CollegeChoice 529), call 1.866.485.9415 or visit www.collegechoicedirect.com to obtain a Disclosure Booklet, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing. Ascensus Broker Dealer Services, LLC. (ABD) is distributor of CollegeChoice 529.**

***Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.**

CollegeChoice 529 is administered by the Indiana Education Savings Authority (Authority). ABD, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory, recordkeeping and administrative services, and marketing. CollegeChoice 529's Portfolios invest in: (i) mutual funds; (ii) a stable value account held in trust by the Authority at Vanguard; and/or (iii) an FDIC-insured omnibus savings account held in trust by the Authority at NexBank.

Investment returns are not guaranteed, and you could lose money by investing in the plan. Account owners assume all investment risks, including the potential for loss of principal, as well as responsibility for any federal and state tax consequences.

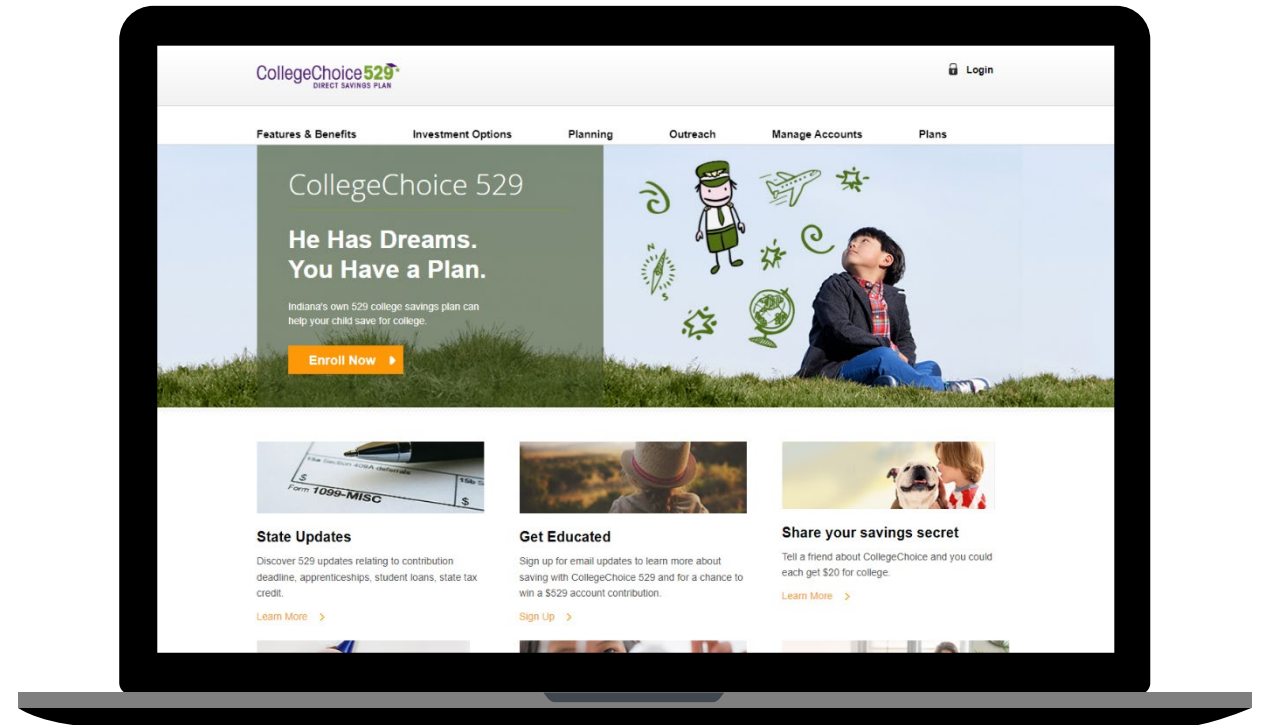
Indiana University

SECTION II

SETTING UP A 529 DIRECT DEPOSIT – IU PAYROLL

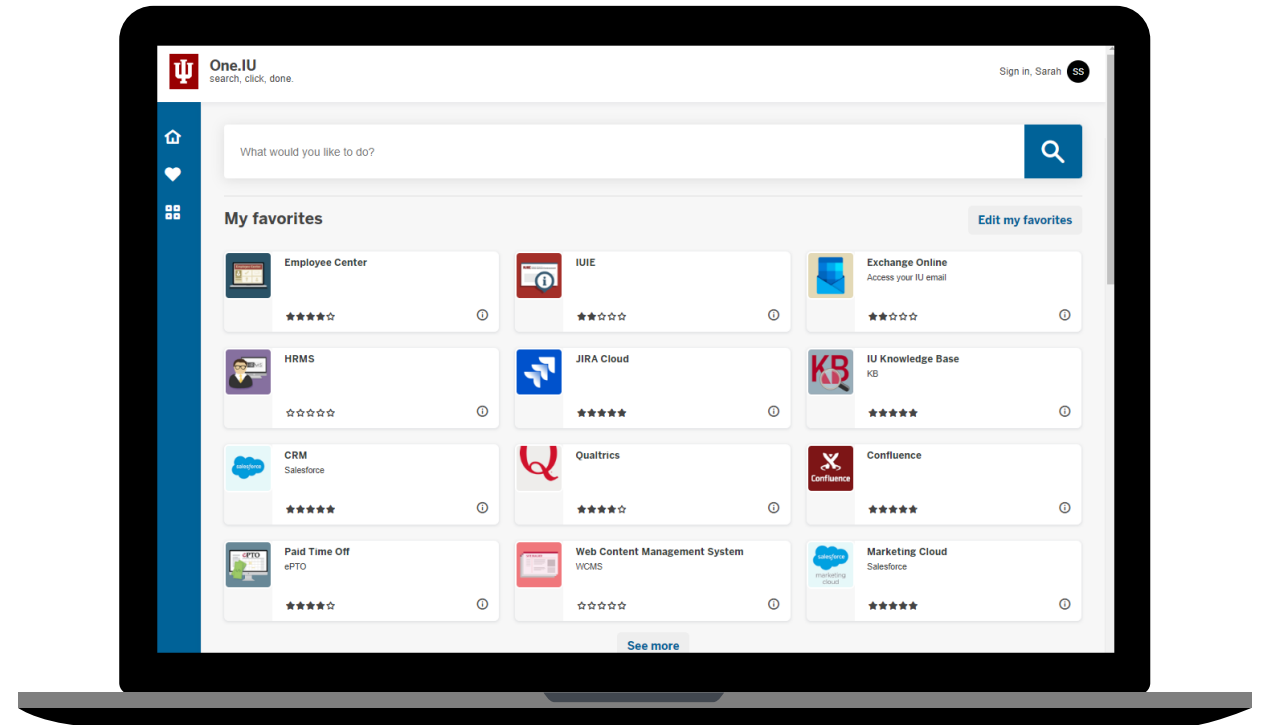
Setting Up 529 Direct Deposit

- **Open a College Choice 529**
- Visit Employee Center at One.IU
- Select Payroll & Tax
- Select Direct Deposit and Add Account
- Enter Account Information and Amount to Contribute



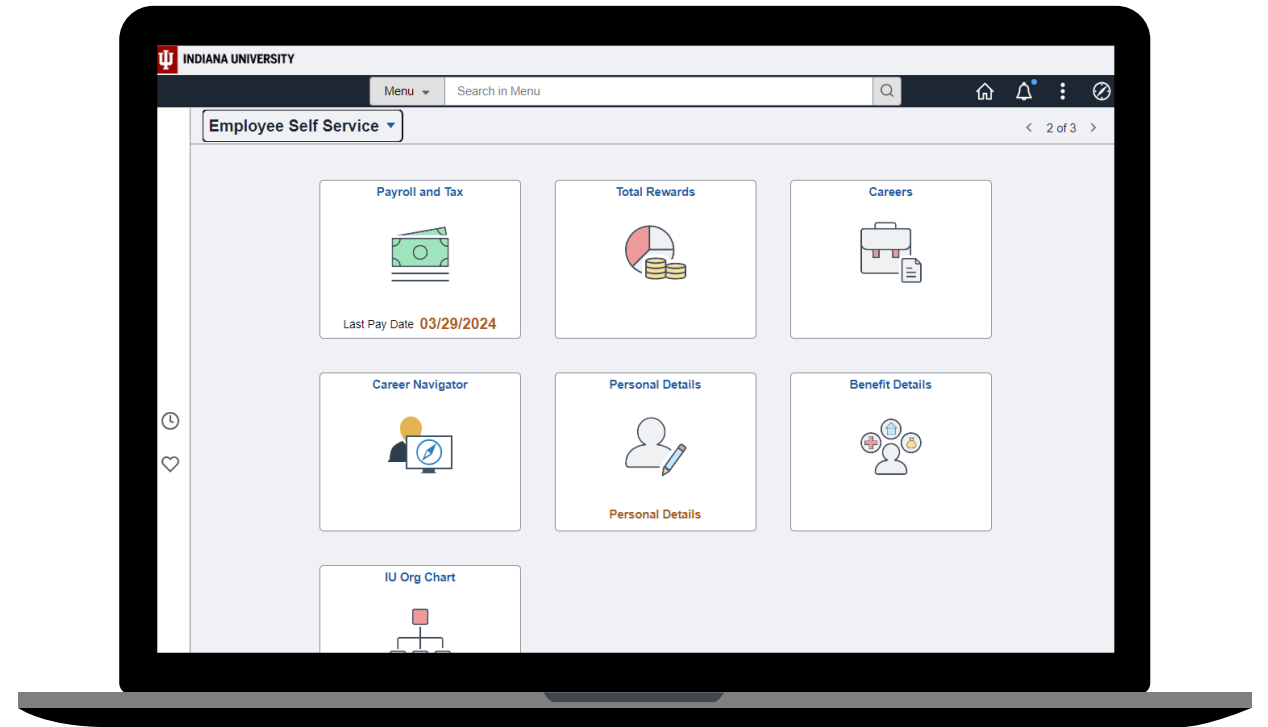
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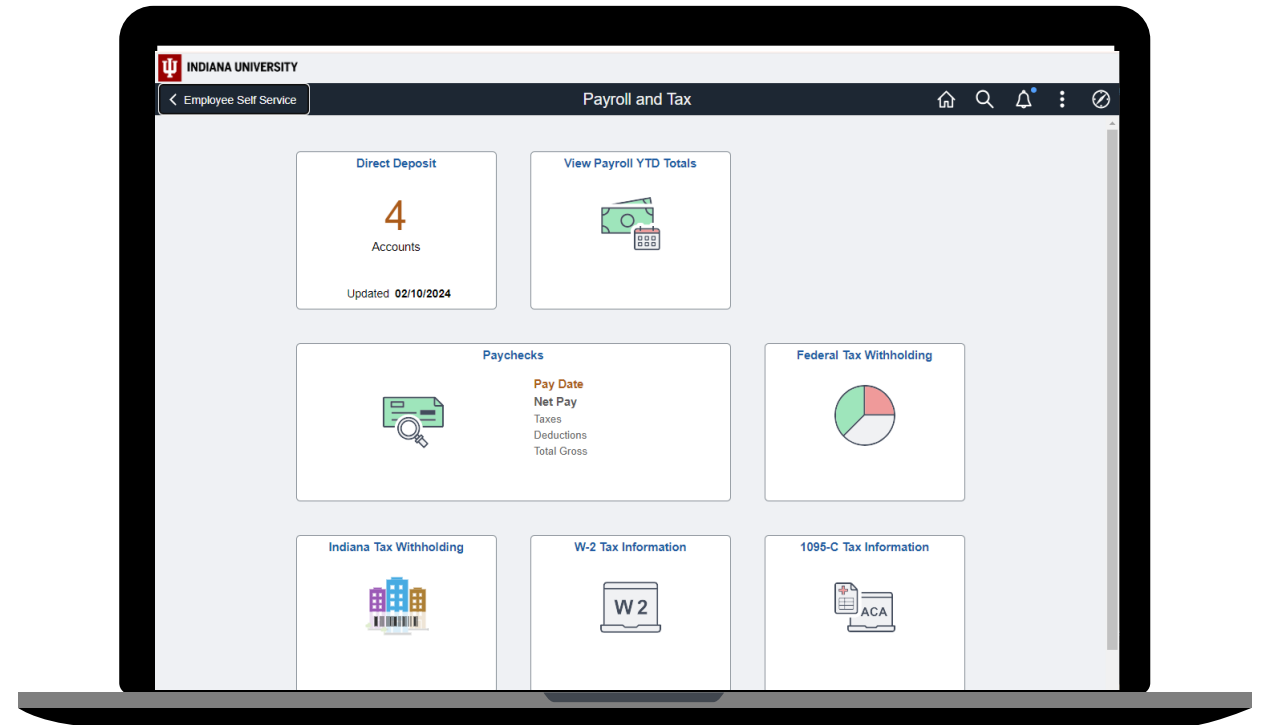
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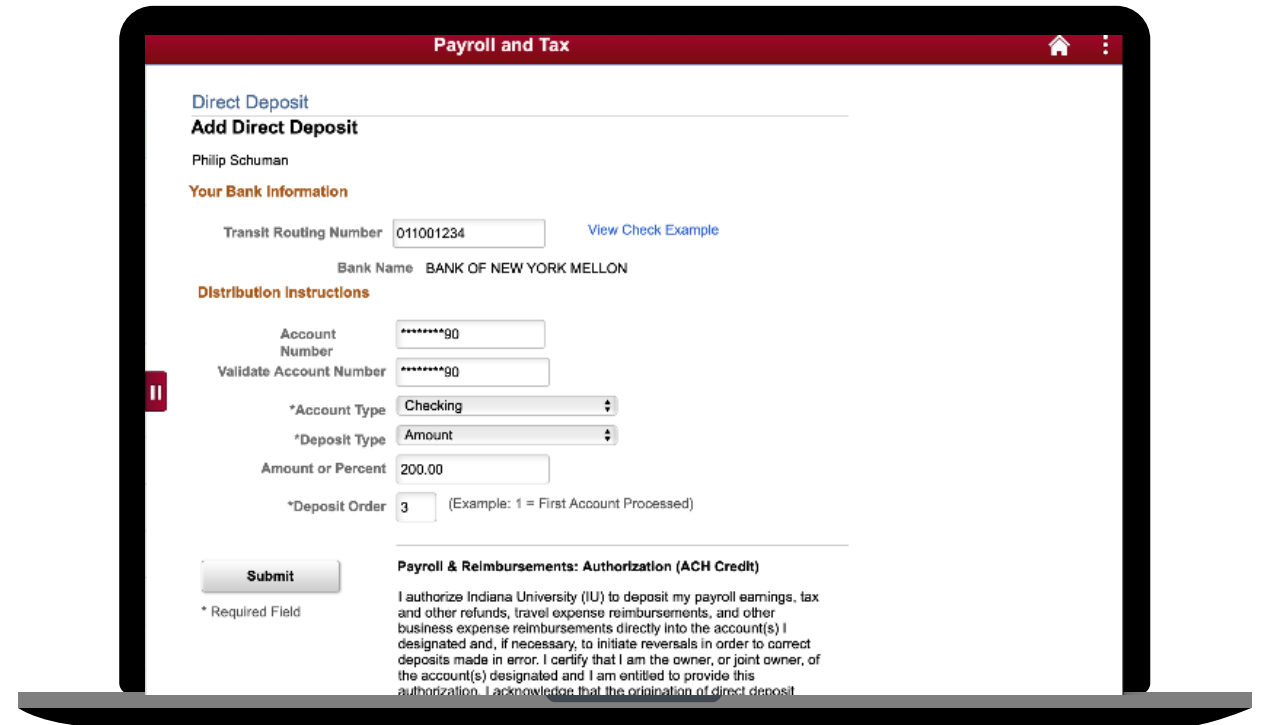
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- **Select Direct Deposit then Add Account**
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Setting Up 529 Direct Deposit

- Open a College Choice 529
- Visit Employee Center at One.IU
- Select Payroll & Tax
- Select Direct Deposit then Add Account
- **Enter Account Information and Amount to Contribute**



The screenshot shows a web form titled "Payroll and Tax" with a sub-header "Direct Deposit" and "Add Direct Deposit". The user's name is Philip Schuman. The form is divided into sections: "Your Bank Information" and "Distribution Instructions".

Your Bank Information

Transit Routing Number: 011001234 [View Check Example](#)

Bank Name: BANK OF NEW YORK MELLON

Distribution Instructions

Account Number: *****90

Validate Account Number: *****90

*Account Type: Checking

*Deposit Type: Amount

Amount or Percent: 200.00

*Deposit Order: 3 (Example: 1 = First Account Processed)

Submit

* Required Field

Payroll & Reimbursements: Authorization (ACH Credit)

I authorize Indiana University (IU) to deposit my payroll earnings, tax and other refunds, travel expense reimbursements, and other business expense reimbursements directly into the account(s) I designated and, if necessary, to initiate reversals in order to correct deposits made in error. I certify that I am the owner, or joint owner, of the account(s) designated and I am entitled to provide this authorization. I acknowledge that the origination of direct deposit



SECTION III

IU TUITION BENEFIT PLAN

IU Tuition Benefit

Reduces the cost of IU tuition:

- Subsidy applied directly on the bursar bill
 - **Employee/Retiree & Spouses:**
 - Up to a dollar max based on campus and program
 - Subsidy rates updated annually (listed on web)
 - **Child(ren):** 50% of undergraduate rate
- Must be an eligible individual by the start of the term
- Coursework on any IU campus including online and IUHS

Eligible individuals include:

- Full-time faculty & staff employees, and residents
- Former employees with IU Retiree Status
- Spouse of eligible employee/retiree
- Tax dependent child(ren) under the age of 24

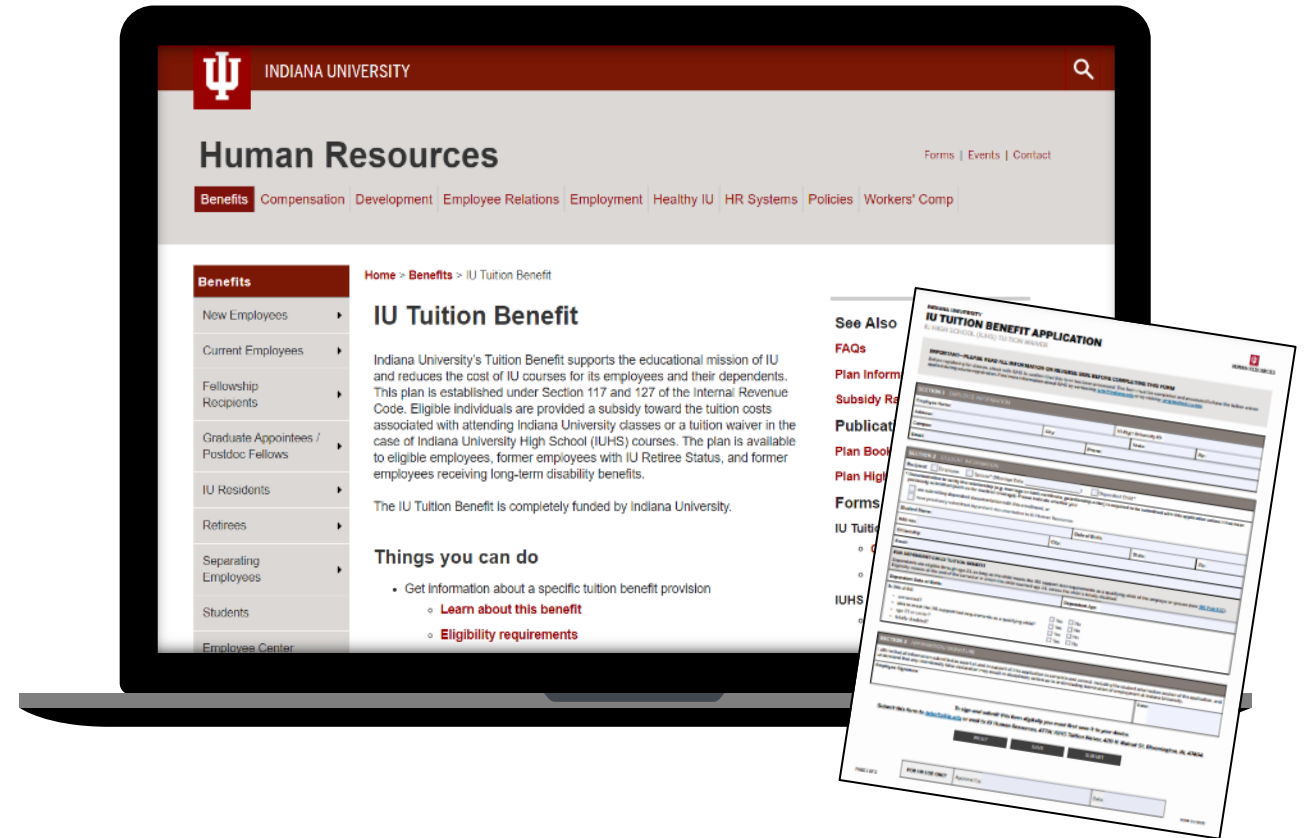


IU Tuition Benefit

Apply for IU Tuition Benefit

- Go to one.iu.edu
- Search for and select **Tuition Benefit** task

hr.iu.edu/benefits/tuition.html



Register for Our Upcoming L&L Sessions

April 4 – Managing My Money: Budget, Emergency Savings, and Debt Basics

April 17 – Navigating Market Volatility

April 24 – Tackle Debt and Understand Your Credit Score

May 8 – Investing for Beginners

May 15 – PERF: Understanding the Two-Part Plan

May 16 – How Consolidating Accounts Could Help You Save Time and Money

Register at events.iu.edu/iuhumanrescal

Contact IU

IU Human Resources



AskHR Customer Care:

askhr@iu.edu

812-856-1234

