



Help turn paychecks into  
**DIPLOMAS.**

Payroll Direct Deposit Benefit





## Employers are taking notice

Concerns about affording the cost of education remain top of mind for most Americans, and in response, some companies are beginning to add 529 plan aid to workplace-benefits packages. A survey found that 86% of employees would participate in a 529 plan if it was offered at work.<sup>1</sup>

# Make education saving automatic for your employees, **AND FOR YOU.**

When it comes to saving for the rising cost of education, where do you start? The answer for many Arkansans is at work.

Statewide, employers are choosing to help employees save for education through after-tax direct deposit into the Arkansas Brighter Future 529 Plan. So little by little, with each paycheck, employees can add to or potentially build their education fund.

Best of all, offering this innovative benefit requires no added costs, systems or contracts. Bottom line: it's a win-win for you and your employees.

## ADVANTAGES FOR EMPLOYERS

- Demonstrates concern for your employees.
- Could differentiate your benefits package from your competitors<sup>1</sup>.
- Complements your 401(k) and other benefits.
- Easy to implement any time of the year.

## ADVANTAGES FOR EMPLOYEES

- Makes saving for education “automatic.”
- Offers tax-deferred growth<sup>2</sup> and tax-free distributions.
- Provides the choice of various investment options that are professionally managed.
- Includes a convenient gifting option for family and friends.

<sup>1</sup>“Americans Still Don't Know About 529 Plans.” Edward Jones. 17 May 2016.

<https://www.edwardjones.com/about/media/news-releases/529-plan-awareness.html>

<sup>2</sup> Earnings on non-qualified distributions 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 distributions are subject to federal, state, and local taxes.

# Here's all you do.

## 1. Establish the Arkansas Brighter Future 529 Plan as a benefit.

## 2. Educate and encourage your employees to enroll.

- Feature the Arkansas Brighter Future 529 Plan at your next benefits fair.
- Invite us to host an education savings seminar.
- Post a link to **brighterfuturedirect529.com** on your company intranet.
- Add information to employee payroll envelopes and new hire packages.
- Email employees announcing this new benefit.

## 3. Complete the payroll direct deposit process.

- Check that each Payroll Form (below) has the employee's Social Security number, signature, and his or her Arkansas Brighter Future 529 Plan account number.
- Follow your existing procedures for payroll direct deposit by entering the:
  - total dollar amount being contributed by the employee per pay period
  - ABA routing number for **Mellon Bank (Arkansas 529's bank): 011001234**
  - three-digit prefix, **535**, followed by the first nine digits of the employee's Arkansas Brighter Future 529 Plan account number
  - ACH transmittal code: "checking" account.

**Step 1. (FOR EMPLOYEES): Complete this form and return to your employer**  
Please print this page, sign it, include your Social Security number and the date, and submit it to the HR, benefits, or payroll representative responsible for administering payroll direct deposit contributions to the Plan. Your employer will initiate or change your payroll direct deposit after they receive this form.

Employee Name:	Sample Employee
Total amount to be deducted per pay period:	\$0.00

\_\_\_\_\_  
Employee Signature                      Employee SSN                      Date

**Step 2. (FOR EMPLOYERS): Establish Payroll Direct Deposit Instructions on Your Payroll System**  
When updating ACH direct deposit instructions for this employee, please make sure that you provide the following information with your transmittal:

1. ABA Number	011001234 (Mellon Bank)
2. Account Number	535 + [ 9- digit account #]
3. Code Transmittal for Checking	

**Note:** The account number is a 12-digit field. The first 3 digits identify the bank account of the Arkansas Brighter Future 529 Plan. The last 9 digits are the first nine digits of the employee's Brighter Future 529 Plan account number.

**For Employers Transmitting Funds by Check**  
If you are submitting payroll deduction contributions by check, please mail the check to the appropriate address below, along with a corresponding list containing the name, account number, and contribution amount for each participating employee:

<b>By U.S. mail:</b> Arkansas Brighter Future Direct Plan P.O. Box 219376 Kansas City, MO 64121-9376	<b>By registered, certified or overnight mail:</b> Arkansas Brighter Future Direct Plan 1001 E 101st Terrace, Suite 200 Kansas City, MO 64131
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If you have any questions, please call Client Service at 1-800-587-7301 on business days, between 8 a.m - 7 p.m., Central Time (CT).



## Important note about deposits.

Brighter Future 529 processes payroll direct deposit instructions received by the close of regular trading on the New York Stock Exchange, normally 4 p.m. ET. Contributions received after the close of regular trading will be invested at the closing unit value(s) of the next business day.

The closing unit value(s) will be used, as long as we receive instructions and account information “in good order” (see Step 3 on previous page).

**Please note:** Should an error occur in your ACH instructions, any resulting loss will be your responsibility. Future contributions will not be processed until the instructions are corrected. If you have additional questions, please call us at **1.800.587.7301**.

## WHY

### Brighter Future 529?

- Savings can grow tax-deferred.
- Qualified distributions are tax-free.<sup>3</sup>
- Funds may be used at eligible colleges and universities throughout the U.S. and at some schools abroad. Funds may also be used for student loan payments, apprenticeship program expenses, and even tuition at K-12 private schools.<sup>4</sup>

### Does your organization support ACH Direct Deposit?

If not, contact us to discuss alternate processing methods at **1.800.587.7301** or [clientservice@brighterfuturedirect529.com](mailto:clientservice@brighterfuturedirect529.com)

<sup>3</sup>Earnings on non-qualified distributions 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 distributions are subject to federal, state, and local taxes.

<sup>4</sup>An eligible institution is one that can participate in federal financial aid programs.

# For employees, getting started is **EVEN EASIER.**

## **Step 1: Enroll in the Arkansas Brighter Future 529 Plan.**

- Visit [brighterfuturesdirect529.com](https://brighterfuturesdirect529.com), or complete and return the paper enrollment form.

## **Step 2: Select PAYROLL DIRECT DEPOSIT during enrollment.**

- When selecting a funding method during enrollment, choose WITH PAYROLL DIRECT DEPOSIT.

## **Step 3: Select how much to contribute from each paycheck.**

- Also include how much to deposit for each beneficiary (if applicable).
- Print out this form (it will be pre-filled with your information) and submit to your HR, Benefits or Payroll departments or if your employer allows, simply update your direct deposit information.
- Changes to 529 contributions can be made at any time throughout the year by notifying your employer.

**Now, your employee is enrolled in payroll direct deposit and saving for education!**

For more details on the Brighter Future 529 Plan and its payroll direct deposit option, just contact [clientservice@brighterfuturesdirect529.com](mailto:clientservice@brighterfuturesdirect529.com)



For more information about the Arkansas Brighter Future Direct Plan, call 1.800.587.7301 or visit [brighterfuturesdirect529.com](http://brighterfuturesdirect529.com) to obtain a Program Description and Participation Agreement, which includes investment objectives, risks, charges, expenses and other information; read and consider it carefully before making an investment or sending money.

**Please Note:** 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. You should also consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances.

The Arkansas Brighter Future Direct Plan is a college tuition savings program sponsored by the State of Arkansas and administered by the Arkansas Section 529 Plan Review Committee ("Committee"). Ascensus Broker Dealer Services, LLC, the Program Manager, and its affiliates have overall responsibility for the day-to-day operations, including investment advisory services, recordkeeping, administrative services and marketing of the Arkansas Brighter Future Direct Plan. The Vanguard Group, Inc., serves as Investment Manager for the plan. The Arkansas Brighter Future Direct Plan's Portfolios invest in: (i) mutual funds; or (ii) an FDIC-insured omnibus savings account held in trust by the Committee at Sallie Mae Bank. Except for the Savings Portfolio, investments in the Arkansas Brighter Future Direct Plan are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the Arkansas Brighter Future Direct Plan Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, you could lose all or a portion of your money by investing in the Arkansas Brighter Future Direct Plan, depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

**NOT FDIC-INSURED (EXCEPT FOR THE SAVINGS PORTFOLIO). NO BANK, STATE OR FEDERAL GUARANTEE.**

