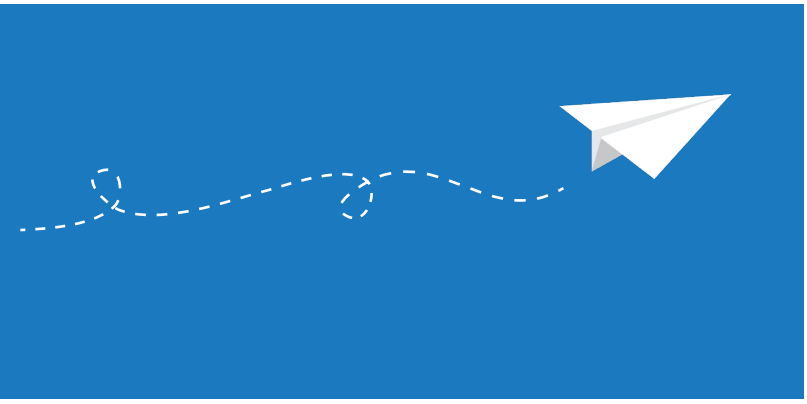
Payroll Direct Deposit Benefit

Help turn paychecks into diplomas.



ISAVE 529
Roby Smith
Iowa Treasurer

EMPLOYER

Invest in Your People with 529s

Future-Focused Benefits for a Resilient Workforce

Want to stand out in a competitive talent market? Help employees reduce financial stress, plan for their families and build generational wealth – with 529 education savings plans.

Why 529 Plans Make Business Sense:

Corporate Scholarships: Fund merit- or need-based awards directly into employees' 529 accounts.

Tuition Assistance: Use 529s to support employee education or their children's future learning.

Student Loan Repayment (SECURE 2.0): Match employee loan payments with 529 contributions – double the impact.

Employer Matches: Contribute alongside your team's payroll deductions to support long-term savings goals.

Bottom-Line Benefits:

- Improves retention and recruitment
- Advances CSR strategies
- Supports multigenerational financial wellness

Ready to build a 529-powered benefit?

Let's talk about custom options for your workforce.

Learn more: www.isave529.com/learn/resources/employer-resources

COMMUNITY

Unlocking Opportunity with 529s

A Tool for Philanthropy and Early Investment

529 education savings plans aren't just for wealthy families – they're a powerful asset-building tool for communities.

Ways to Fuel Impact:

Child Development Accounts (CDAs): Start kids strong with seed funding at birth using a 529 account.

Scholarship Funds: Direct donations into 529s to provide flexible, portable educational support.

Matching Programs: Incentivize families to save by matching their 529 contributions.

Community Partnerships: Work with schools, churches or nonprofits to get families enrolled.

Why It Matters

- Increases college attendance and completion
- Builds generational wealth and educational equity
- Helps families believe in – and prepare for – the future

Join the growing movement to increase education savings.

Learn more: www.isave529.com/learn/resources

Make education saving automatic for your employees, **and for you.**

When it comes to saving for the high cost of education, where do you start? **The answer for many Iowa families is at work.**

Statewide, employers are choosing to help employees save for education through after-tax direct deposit into the ISave 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. Just agree to allow your employees to save for education via payroll direct deposit and we'll help with the rest.

A competitive advantage **for employers.**

- Differentiates your benefits package from your competitors
- Complements your 401(k) and other savings plans
- No ERISA or Form 5500 requirements
- Enhances tuition reimbursement and other education efforts
- Offers a fringe benefit for your contributions

A competitive advantage **for employees.**

- Makes saving for education "automatic"
- Offers tax-deferred growth and tax-free distributions[1]
- Lets them choose from a range of professionally managed investments
- Only takes a minimum deposit of $15 per pay period

[1]Earnings on non-qualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

Let’s get started.

Step 1

Establish ISave 529 as a benefit.

- Contributions you make to an employee’s ISave 529 account can be treated as a taxable fringe benefit to the employee and could be deductible as wages or compensation.

Step 2

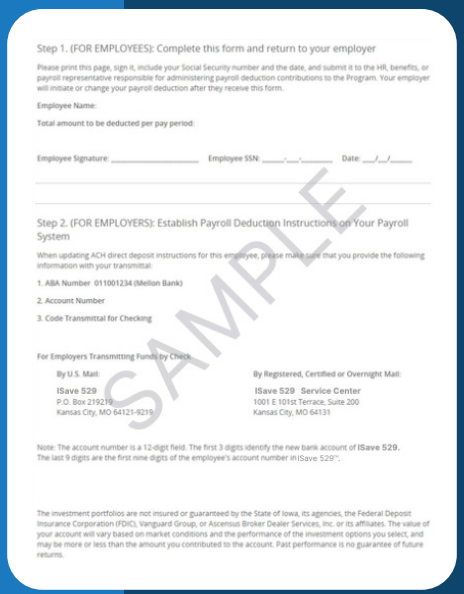
Educate and encourage your employees to enroll.

- Feature ISave 529 at your next benefits fair.
- Invite us to host an education savings webinar.
- Post a link to ISave529.com on your company intranet.
- Add information to employee payroll envelopes and new hire packages.
- Email employees announcing this new benefit.

Step 3

Execute the payroll direct deposit process.

- Check that each Payroll Form (example below) has the employee’s Social Security number, signature and his or her ISave 529 account number.
- Follow your existing procedures for payroll direct deposit by entering the following:
  - Total dollar amount being contributed by the employee per pay period
  - ABA routing number for Mellon Bank (ISave 529’s bank): 011001234
  - The employee’s ISave 529 account number with the 532 prefix
  - 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 deduction contributions to the Program. Your employer will initiate or change your payroll deduction after they receive this form.

Employee Name:

Total amount to be deducted per pay period:

Employee Signature: _____ Employee SSN: ___-___-____ Date: ___/___/____

Step 2. (FOR EMPLOYERS): Establish Payroll Deduction 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
3. Code Transmittal for Checking

For Employers Transmitting Funds by Check

By U.S. Mail:
ISave 529
P.O. Box 219219
Kansas City, MO 64121-9219

By Registered, Certified or Overnight Mail:
ISave 529 Service Center
1001 E 101st Terrace, Suite 200
Kansas City, MO 64131

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

The investment portfolios are not insured or guaranteed by the State of Iowa, its agencies, the Federal Deposit Insurance Corporation (FDIC), Vanguard Group, or Ascensus Broker Dealer Services, Inc. or its affiliates. The value of your account will vary based on market conditions and the performance of the investment options you select, and may be more or less than the amount you contributed to the account. Past performance is no guarantee of future returns.

SAMPLE

It’s worth remembering:

- ISave 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 the account owner’s responsibility. ISave 529 will not process future contributions until the instructions are corrected. If you have additional questions, please call us at (888) 672-9116.

Why ISave 529?

- Savings can grow tax-deferred.
- Qualified withdrawals are tax-free.
- Money can be used for[2]:
  - K-12 tuition
  - Trade school & apprenticeships
  - Four-year university
  - Graduate school
  - Loan repayment
- Money can be used at eligible education institutions across the U.S. and abroad, not just in Iowa.
- If an account owner is an Iowa taxpayer, they can take a state tax deduction for their contributions.

Does your organization support ACH direct deposit?

If not, contact us to discuss alternate processing methods at **(888) 672-9116.**

[2]Earnings on non-qualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

For employees, getting started **is even easier.**

Need help with your ISave 529 account? Call **(888) 672-9116.**

Step 1

Be sure you've opened your ISave 529 account at ISave529.com or in the READYSAVE™ 529 app. Then:

1. Log in to your account at ISave529.com.
2. Visit the Profile & Documents section on your home screen.
3. Click "Payroll Deduction" on the left side.
4. Click "Change Payroll Instruction" to start the process.

Step 2

- Follow the prompts to select the amount to contribute from each paycheck and also how much to deposit for each beneficiary (if applicable). Once you submit this information, you must print out the generated payroll form.
- This form will be prefilled with your name, your unique account number, the total payroll deduction amount and the routing (ABA) number for ISave 529's bank. If you are funding more than one account by payroll direct deposit, the amount per pay period should be the sum of ALL your payroll contributions to your ISave 529 accounts.

Step 3

- Submit the payroll form to your company's human resources, benefits or payroll department. If your employer uses a self-service portal, use the form to fill in the information on your own, just like you would to direct deposit your paycheck into a checking or savings account.
- Your employer will update the payroll direct deposit amount in the payroll system and will automatically send your contributions to ISave 529.
- Be sure to inform your employer of any changes you wish to make to your direct deposit contributions.

Investment returns are not guaranteed, and you could lose money by investing in ISave 529.

For more information about ISave 529, obtain a Program Description online or request one by calling 888-672-9116. Investment objectives, risks, charges, expenses and other important information are included in the Program Description; read and consider it carefully before investing.

If you are not an Iowa taxpayer, consider before investing whether your or the designated student's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program. Other state benefits may include financial aid, scholarship funds and protection from creditors.

The Treasurer of the State of Iowa acts as trustee of the Iowa Educational Savings Plan Trust, which is administered by the Iowa State Treasurer's Office. The Vanguard Group, Inc., serves as Investment Manager. Ascensus College Savings Recordkeeping Services, LLC, provides records administration services. The Plan's portfolios, although they invest in Vanguard mutual funds, are not mutual funds.