

# NC 529 Plan



A great way to save for college

**CFNC.org/NC529**

North Carolina's National College Savings Program

**College**   
**Foundation**  
*of North Carolina*

## A Quick Glance at the NC 529 Plan

### What is a 529 Plan?

- Federal law allows states to develop “qualified tuition programs” with special tax advantages for college savings. The number 529 refers to the section of the Internal Revenue Code that created the tax exemption for these programs.
- A 529 plan offers special tax benefits for college savings. Account earnings are tax-free when used for qualified higher education expenses, such as tuition, room and board, books, fees, and any required equipment.
- The NC 529 Plan, North Carolina’s National College Savings Program, offers North Carolina taxpayers an annual tax deduction on contributions, up to \$2,500 per individual or \$5,000 for a married couple filing jointly. Consult your tax advisor for more information.

### Terms to Know Before You Enroll

**Beneficiary** – The individual with a valid Social Security or taxpayer identification number for whom you are saving. (An account for a newborn can be established without a Social Security number and the number provided at a later date.)

**College Foundation of North Carolina (CFNC)** – The free and comprehensive information source to help families plan, apply, and pay for college. General program information about the NC 529 Plan and access to your account are available at [CFNC.org/NC529](http://CFNC.org/NC529).

**Duplicate Statement Request** – Your opportunity to list an individual (such as a spouse, relative, or financial advisor) on your account who is authorized to receive copies of account information, but who has no authority to access or make any changes to the account.

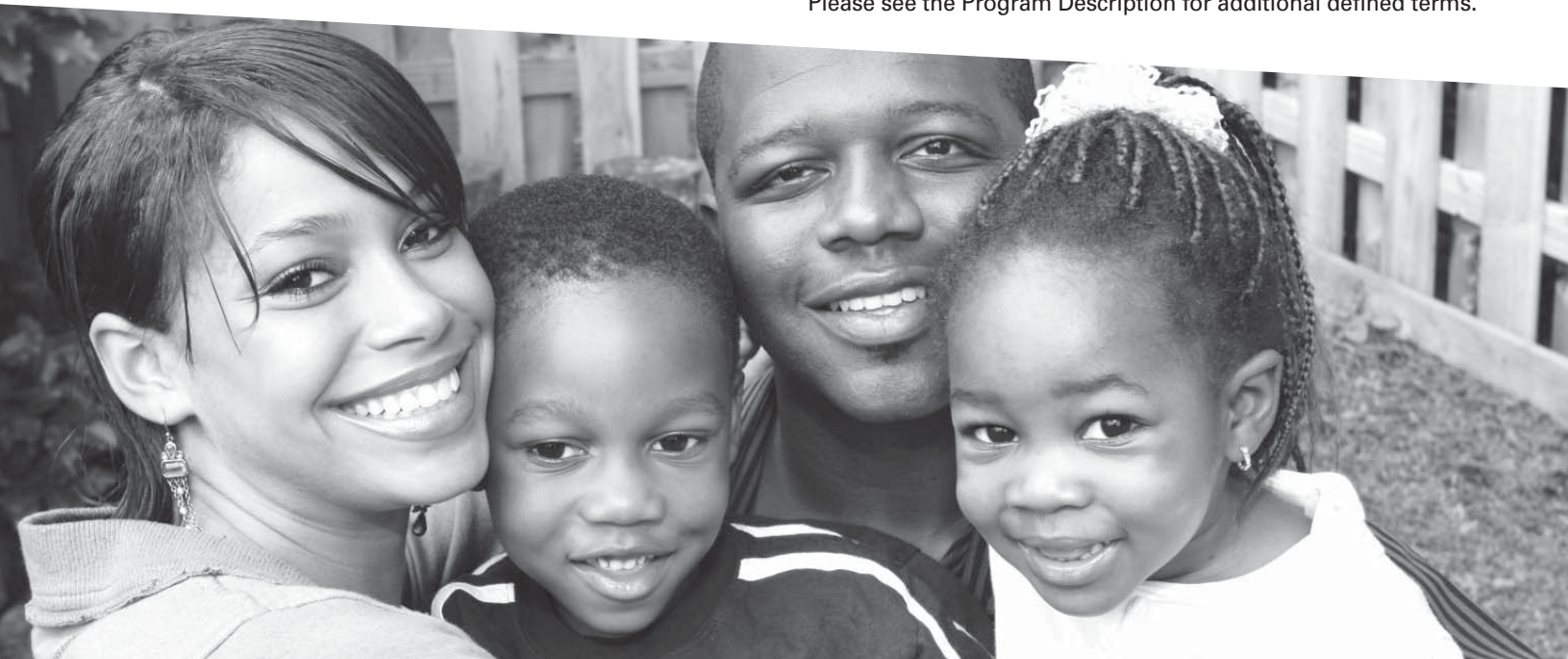
**Parental Savings Trust Fund** – The fund established by the North Carolina General Assembly to hold all assets of the Program. The North Carolina income tax form may use this term to refer to the NC 529 Plan. The North Carolina State Education Assistance Authority (the Authority), the state agency authorized by the General Assembly to establish and maintain the NC 529 Plan, is the trustee of the Fund; however, the assets are not the property of the State. The Authority establishes the investment policy for the NC 529 Plan, which sets forth the objectives and guidelines that govern each Investment Option, other than the Dependable Income Fund. The investment policy is subject to revision or modification by the Board of Directors of the Authority at its discretion.

**Participant** – The owner of the NC 529 account. A Participant can be an individual or specific types of entities. Participants must be at least 18 and have a valid Social Security or taxpayer identification number.

**Program Administrator** – The organization that operates and administers North Carolina’s 529 Plan. College Foundation, Inc. (CFI) administers the NC 529 Plan on behalf of the Authority. Direct any questions on operational services or individual accounts by e-mail to [savings@CFNC.org](mailto:savings@CFNC.org) or by phone via the toll-free number 800-600-3453.

**Successor Participant** – The person named to take over account ownership in the event of the Participant’s death or incapacity. Successor Participants must be at least 18 and will not have access to the Participant’s account or information unless circumstances trigger ownership.

Please see the Program Description for additional defined terms.



## NC 529 Plan Investment Options

You may choose one or more investment options. There are age-based and individual options that cover a range of financial strategies, from conservative to aggressive. Since the Program is offered directly through CFI, there are no enrollment fees or sales charges to open an account and there are no account maintenance fees.

Annual, asset-based fees and expenses are low, and the specific amount depends on the investment option selected. The administrative fee is no more than 0.25% annually of the average daily assets, and the management fees and fund expenses range from 0.05% to 0.65%. Earnings on investment options are reinvested in the respective funds.

Money in your NC 529 account can be used to pay for your beneficiary's qualified higher education expenses at most any college, anywhere in the country.

## NC 529 Plan Investment Options

### AGE-BASED OPTIONS

- **V Fund Conservative Track** (Mutual Funds from The Vanguard Group, Inc.)
- **V Fund Moderate Track** (Mutual Funds from The Vanguard Group, Inc.)
- **V Fund Aggressive Track** (Mutual Funds from The Vanguard Group, Inc.)

### INDIVIDUAL OPTIONS

- **Aggressive Stock Fund** (Managed by NCM Capital Management Group, Inc.)
- **Dependable Income Fund** (Managed by North Carolina State Treasurer)
- **V Fund 1** (Vanguard® LifeStrategy Growth Fund)
- **V Fund 2** (Vanguard LifeStrategy Moderate Growth Fund)
- **V Fund 3** (Vanguard LifeStrategy Conservative Growth Fund)
- **V Fund 4** (Vanguard LifeStrategy Income Fund)
- **V Fund 5** (Vanguard Prime Money Market Fund)\*
- **V Fund 6** (Vanguard Total Stock Market Index Fund)
- **V Fund 7** (Vanguard Total International Stock Index Fund)
- **V Fund 8** (Vanguard Total Bond Market Index Fund)

Vanguard is a registered trademark of The Vanguard Group, Inc.

\* The V Fund 5's investment in the Vanguard Prime Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the underlying Vanguard Fund seeks to preserve the value of the investment at \$1 per share, it is possible that the V Fund 5 may lose money by investing in the underlying Vanguard Fund.

## How Do You Get Started?

Before you open an NC 529 account or contribute funds to an existing NC 529 account, carefully review the complete Program Description and Enrollment Agreement and consider the information on investment objectives, risks, charges, expenses, and other important information.

### Ready to enroll? It's easy.

- Enroll online at [CFNC.org/NC529](http://CFNC.org/NC529).
- Or complete and submit the paper Enrollment Agreement, available from our website or by calling toll free 800-600-3453 or e-mailing [savings@CFNC.org](mailto:savings@CFNC.org).

### Contribute to your NC 529 account by any (or all) of these methods.

- Check
- Automatic Bank Draft (To schedule electronic transfers on a regular basis, allow three business days for draft to be set up.)
- Electronic Funds Transfer (To make a one-time electronic transfer whenever you choose, make your request at least three business days in advance of the date you want funds credited.)
- Payroll Deduction (if your employer has established an arrangement with the NC 529 Plan)
- Rollover from another Qualified Tuition Program
- Transfer from a Coverdell Education Savings Account or Qualified Savings Bond Series EE or I, issued after 1989
- Transfer from an UGMA/UTMA custodial account (The NC 529 account to which the transfer is made will be subject to laws governing custodial accounts.)
- Transfer from any rewards program in which you participate

### Manage your account online

- Check your account balance
- Add or change account information
- Set up regular or one-time automatic contributions
- Change the allocation of future contributions anytime or re-allocate current funds once a year
- View and print statements and transactions
- Opt for electronic delivery of statements and other communications
- Request withdrawals

Our representatives are glad to help you by phone at 800-600-3453 Monday through Thursday from 8:00 a.m. to 8:00 p.m. and Friday from 8:00 a.m. to 5:00 p.m. (ET). Information is also available 24/7 online at [CFNC.org/NC529](http://CFNC.org/NC529).



For more information about North Carolina's National College Savings Program, please review the complete Program Description and Enrollment Agreement available at [CFNC.org/NC529](http://CFNC.org/NC529) or contact 800.600.3453 to request an enrollment kit that includes both. Before opening an Account, or contributing funds to an existing Account, you should carefully read and consider the Program Description, which includes information on investment objectives, risks, charges, expenses, and other important information. Check with your home state about tax or other benefits associated with investing in its own qualified tuition plan.

North Carolina's National College Savings Program is a program of the State of North Carolina, established and maintained by the State Education Assistance Authority (Authority) as a qualified tuition program under federal tax law, and administered by College Foundation, Inc. (CFI). Investment Options feature funds from NCM Capital Management Group, LLC; the State Treasurer of North Carolina; and The Vanguard Group, Inc.

The features of a qualified tuition program are complex and involve significant tax issues. The earnings portion of withdrawals not used for qualified higher education expenses are subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. The availability of tax benefits may be contingent on meeting other requirements.

The Investment Options are not guaranteed by the State of North Carolina, the Authority, CFI, or any investment manager. Participation in the Program involves investment risk, which may include the loss of principal. Accounts are not bank deposits and are not insured by the FDIC or any governmental unit or private person. Participants assume all responsibility for federal and state tax consequences.



800.600.3453