A great way to save for college
NC 529 College Savings Plan

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 free from federal and North Carolina income taxes when used to pay for qualified higher education expenses, such as tuition, room and board, computer, books, fees, and any required equipment.

What Else Does the NC 529 Plan Offer?

- 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 College Foundation, Inc., the program administrator, there are no enrollment fees or sales charges to open an account.
- Total annual asset-based fees and fund expenses are low. Investment option management expenses vary depending on the investment option(s) selected. The monthly administrative fee is based on the total amount invested. Account earnings are re-invested in the respective funds.
- NC 529 savings can be used to pay for your beneficiary’s qualified higher education expenses at virtually any college, anywhere in the country.

NC 529 Plan Investment Options

Vanguard® Age-Based Options
- Vanguard Aggressive Track
- Vanguard Moderate Track
- Vanguard Conservative Track

Individual Options
- Dependable Income Fund (Managed by the State Treasurer of North Carolina)
  A portfolio of highly liquid fixed income securities, including money market instruments and government securities, with the two-fold objective of safety and liquidity.
- Federally-Insured Deposit Account (Provided by State Employees’ Credit Union)
  A deposit account that offers income, protection of principal and earnings, and federal deposit insurance.
- Vanguard Aggressive Growth Portfolio
  Seeks to provide capital appreciation.
- Vanguard Growth Portfolio
  Seeks capital appreciation and low to moderate current income.
- Vanguard Moderate Growth Portfolio
  Seeks capital appreciation and current income.
- Vanguard Conservative Growth Portfolio
  Seeks current income and low to moderate capital appreciation.
- Vanguard Income Portfolio
  Seeks to provide current income.
- Vanguard Interest Accumulation Portfolio
  Seeks income consistent with the preservation of principal.
- Vanguard Total Stock Market Index Portfolio
  Seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.
- Vanguard Total International Stock Index Portfolio
  Seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.
- Vanguard Total Bond Market Index Portfolio
  Seeks to track the performance of a broad, market-weighted bond index.

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

Vanguard is a registered trademark of The Vanguard Group, Inc. Investments are subject to risk and Participants should carefully read the Program Description for North Carolina’s National College Savings Program for more information.
How to 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. Consider the information on investment objectives, risks, charges, expenses, and other important details.

It's easy to enroll.
• Enroll online at NC529.org.
• Or complete and submit a paper Enrollment Agreement, available from our website, by calling toll free 800-600-3453, or by e-mailing savings@CFNC.org.
Representatives are glad to help you by phone 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).

Contribute to your NC 529 Account by any (or all) of these methods.
• Check
• Automatic Draft – Authorize periodic regular debits from your financial institution account (allow three business days in advance of the date you want funds credited)
• Electronic Funds Transfer – Set up one-time electronic transfers from your financial institution account (at least three business days in advance of the date you want funds credited)
• Payroll Deduction – Use 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

Manage your account online at CFNC.org/NC529
• Check your account balance
• Add or change account information
• Set up regular or one-time electronic contributions
• Change your future contribution allocations anytime
• Re-allocate current funds twice a year, if you choose
• View and print statements and transactions
• Opt for electronic delivery of statements and other communications
• Request withdrawals

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. Detailed program information on the NC 529 Plan and access to any NC 529 account you open are readily available at CFNC.org or NC529.org.

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 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.

For more information about North Carolina’s National College Savings Program, please review the complete Program Description and Enrollment Agreement available at NC529.org 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.

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). Current Investment Options are provided by the State Treasurer of North Carolina, State Employees’ Credit Union (SECU), and The Vanguard Group, Inc. (Vanguard).

The features of a qualified tuition program are complex and involve significant tax issues. The earnings portion of a withdrawal not used for qualified higher education expenses is 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.

Accounts themselves are not bank or credit union deposits and are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration (NCUA). Neither the Contributions nor the earnings thereon invested in or allocated to Program Accounts are backed by the full faith and credit of the State of North Carolina or guaranteed by the Authority, CFI, SECU, or Vanguard. Notwithstanding the foregoing, Contributions and interest earned thereon allocated to the Federally-Insured Deposit Account Investment Option are guaranteed by SECU and insured by the NCUA, which is backed by the full faith and credit of the United States Government. The value of a Participant’s Account will fluctuate depending on market conditions and the performance of the Investment Options selected. You could lose money by investing in the Program. Participants assume all responsibility for federal and state tax consequences.