

REFUND529: A NEW WAY TO SAVE FOR COLLEGE

Introducing **IT-195**, coming to tax preparation services near you!

Beginning in 2018, any eligible New York State tax filer can split their state refund towards a direct contribution into a 529 college savings account - an unprecedented opportunity to begin (or continue) saving for your or your children's education! Here's what you need to know:

Why it Matters

Research shows that kids with even \$1 - \$499 in savings are **three times** more likely to attend and **four times** more likely to graduate college. Last year, our tax preparers helped New Yorkers claim an average of **\$1,678** in refunds. Now, filers can use some or all of their refunds to save for their children's futures.

Eligibility

Anyone receiving a New York State tax refund!

Process

As you are filing your taxes, use form IT-195 to designate a portion of your refund for your 529 college savings account.

Tip: You'll need a 529 account number with routing number and plan code to file form IT-195. To save time, sign up for an account in advance online at www.nysaves.org or by calling 877-NYSAVES (there's no minimum balance needed to open an account!)

A tax preparer or financial coach will help you determine whether you are eligible for a state refund. If you make \$54,000 a year or less, you are eligible for FREE tax preparation through the Volunteer Income Tax Assistance (VITA) program! Visit irs.treasury.gov/freetaxprep/ to find a location in your neighborhood.

About 529 College Savings Accounts

A 529 account is an investment account specifically designed to help people save money for future educational expenses for themselves, their children, grandchildren, nieces, nephews or even friends. Regardless of where the account was opened, funds from a 529 account can be used at any school (now including private K-12 schools as well as public or private colleges!) in any state to cover expenses including tuition, room and board, books, and fees. Named after Section 529 of the Internal Revenue Code, these accounts have many tax advantages. The earnings on the account are tax-deferred and withdrawals made to pay for qualified educational expenses are tax free. Additionally, New Yorkers who own a 529 account can deduct the first \$5,000 (\$10,000 for a couple filing jointly) from their taxable earnings each year.

Learn more at thefinancialclinic.org/refund529

Saving for college has never been easier!

Learn how you can use this year's state tax refund to save for your or your children's education

The new Tax Form 195 allows you to contribute a portion of your refund directly into a 529 college savings account. Research shows that children with as low as \$1 in savings are three times more likely to attend and four times more likely to graduate college.



**So, what are you waiting for?
Speak to a VITA tax preparer or
financial coach today!**