

NOTE: The Georgia Higher Education Savings plan is now referred to as the Path2College 529 Plan.

**Path2College 529 Plan
Payroll Processing Manual for Georgia State Agencies**

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SECTION I: Program Information

General Information:

The Path2College 529 Plan (P2C) is Georgia’s Section 529 college savings plan. Georgia’s 529 college savings plan was previously referred to as the “Georgia Higher Education Savings Plan.” In 2007, we notified you regarding our rebranded program name, Path2College 529 Plan. Due to recent confusion, we are redistributing all the materials associated with payroll deduction for our program.

Section 529 college savings plans offer employees a tax-advantaged way to save for their children’s (and grandchildren’s) future higher education costs. The State of Georgia has contracted with TIAA-CREF to provide investment services for the program. TIAA-CREF also provides record-keeping and customer service functions.

The Georgia 529 plan allows anyone - a parent, grandparent, relative, or friend - to open an account for a beneficiary. In fact, this benefit is leading the way in the area of emerging “*extended benefits*,” enabling companies to address the specific needs of their employees without driving up their overall benefit costs. Employers, both public and private, around the state have decided to include the Georgia 529 plan in their employee benefits plan.

House Bill 1118 from the 2004 session of the General Assembly allows state employees to have their Georgia 529 plan contributions payroll deducted. The following pages provide detailed information on offering this extended benefit and the employer’s options for submitting employee contributions.

Program Highlights:

- As per federal law, 529 plan contributions must be made using after-tax dollars. Therefore, employers do not have tax reporting requirements.
- Savings in the Georgia 529 plan grow tax-free, can be spent for higher education tax-free, and contributions up to \$2,000 per beneficiary, per year are eligible for a Georgia income tax deduction, regardless of income.
- Employees may establish an account for as little as \$15 per pay period.
- Employees may choose among seven (7) investment options.
- Unlike their cafeteria benefits, the Georgia 529 plan is not subject to Section 125 restrictions. Therefore, enrollment and changes may occur at any time during the year.
- The Georgia 529 Plan is a great complement to the HOPE Scholarship as it can be used to pay higher education expenses that HOPE does not cover, and the Georgia 529 plan can be used at virtually any post-secondary school in the country and at many schools abroad.

Enrollment:

New Accounts: State employees electing to contribute through payroll funds must complete a paper Account Application for each beneficiary and must also complete the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form.

Existing Accounts: State employees who have previously opened an account need only complete a State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form.

Employee Information:

- As the Georgia 529 plan is an employee driven benefit, the employee is responsible for completing the Account Application(s) and the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form.
- The employee is responsible for submitting payroll contribution changes (increases, reductions and terminations).
- The employer is responsible for determining how Georgia 529 plan contributions are made (i.e. payroll deducted vs. direct deposited).

Employer Information:

- The Georgia 529 plan offers state agencies **two options** for submitting 529 plan contributions on behalf of their employees:
 1. Payroll Deduction – The contribution amount specified by an employee on the authorization form is deducted from the employee’s after-tax pay, then processed and submitted through the accounts payable process specific to each agency.
 2. Direct Deposit (ACH electronic transfer) – The contribution amount specified on the authorization form is transmitted electronically to the employee’s Georgia 529 plan account via a direct deposit of payroll funds.
- The Georgia 529 plan requires 10 business days from receipt of the appropriate forms before it can receive payroll contribution funds.
- Employers are responsible for answering only those questions related to the payroll “deduction/deposit” itself. All other questions regarding an employee’s Georgia 529 plan account should be directed to the appropriate telephone number, as detailed in the attached document entitled, *Assistance for Common Issues*.
- The Georgia 529 plan is responsible for the on-going maintenance and administration of employee accounts including quarterly and annual statements.
- Employers with payroll deduction/direct deposit questions may contact Deborah Smith or Shannon Ferguson with the Path2College 529 Plan at (404) 463-0000 or outside Atlanta toll-free at (866) 529-9529.

SECTION II:

Employee Steps for Establishing Payroll Deduction or ACH Direct Deposit for NEW ACCOUNTS

1. Obtain an enrollment form and State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form by:
 - Calling 404-463-0000 or 866-529-9529 (toll-free) to request enrollment materials by mail
 - Visiting Room 1204, West Tower of the Floyd Building (Atlanta)

Please note: State employees electing to contribute through payroll funds may not enroll on-line; a hardcopy application must be submitted for processing. A special payroll deduction/direct deposit authorization form is required for state employees.

2. Carefully read the *Program Disclosure Booklet* prior to completing the enrollment application.
3. Read the instructions provided at the top of the Account Application.
4. Complete Sections 1 – 3 of the Account Application. Be sure to include social security numbers for both the account owner and the beneficiary. Failure to include this information will delay the opening of your account, as your account application must be returned to you.
5. Complete Section 4 of the Account Application. Under “Check Method of Initial Contribution” mark “payroll.” Do not put a dollar amount under the column entitled “Contribution Amounts.” You will be asked to provide the payroll deduction/direct deposit amount on the separate State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit.
6. Do not complete Automatic Contribution Plan (ACP) information in Section 5, as this will result in a double deduction (your employer will deduct the specified contributions from your payroll, and we will draft your checking/savings account for the amount indicated under the ACP). *Complete the Banking Information in Section 5 if you wish to make **additional** contributions via an electronic funds transfer using the Electronic Purchase Option.*
7. Complete Sections 6 – 7. Be sure to sign and date your application. Failure to sign your application will delay the opening of your account, as your application must be returned to you.
8. Carefully read the State Employee Payroll Deduction Checklist on the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form.

9. Complete Section I of the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit, *and follow the detailed instructions in the selected box for completing all subsequent Sections.*
10. Contact your benefit coordinator/payroll office to make sure that the employer contact information listed under Section 3 is correct for your agency. Fill in the total amount to be deducted/deposited from your check each pay period. *Note: The minimum is \$15 per investment option selected, per pay period.*
11. List all beneficiaries and the investment option selected for the beneficiary. If you have selected multiple investment options for a beneficiary, list the beneficiary multiple times (once for each investment option). **If you need to use multiple authorization forms, please complete all information on each form and staple the forms together before submitting.**
 - Write in the applicable investment option selected.
 - Check “yes” under “Is this a new option?”
 - Write in a percentage for each option. Failure to note this information will delay the opening of your account, as the form must be returned to you. *Note: Percentages must be whole numbers and must total 100.00%. Do not assign dollar amounts.*
12. Sign and date the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit. Failure to do so will delay the opening of your account, as the form must be returned to you.
13. Make a copy of the Account Application(s) and the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form for your records.
14. Mail the original account application(s) and the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit(s) to the following address:

Path2College 529 Plan
200 Piedmont Avenue, Suite 1204-West
Atlanta, Georgia 30334
15. Note the date you mail your forms, as payroll contributions should begin within 30 days of this date. If the contribution amount noted on your pay stub/voucher does not match the amount requested on the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit Authorization form or contributions do not begin within 30 days, please contact your payroll office.

16. Your pay stub/voucher will reflect contributions made from your payroll. You will receive quarterly and annual statements for each account either by paper or online depending upon your account settings. To go paperless and sign up for eDelivery of account information, visit www.path2college529.com and click on “Access Your Account” in the top right corner.

Note: You will need your account number(s) to establish a user ID and personal identification number (PIN). If you need assistance establishing a user ID and PIN, please contact the Customer Service Center toll-free at (877) 424-4377.

SECTION III:

Employee Steps for Establishing Payroll Deduction or ACH Direct Deposit for EXISTING ACCOUNTS

1. Obtain the appropriate State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form by:

- Downloading the form at www.otfs.georgia.gov
- Calling 404-463-0000 or 866-529-9529 (toll-free)
- Visiting Room 1204, West Tower of the Floyd Building (Atlanta)

Please note: Do not use the Authorization for Automatic Payroll Deduction form provided in the hardcopy enrollment kit or the authorization form available on-line at the P2C website. A special payroll deduction/direct deposit authorization form is required for state employees.

2. Carefully read the State Employee Payroll Deduction Checklist on the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form.
3. Complete Section I of the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit, *and follow the detailed instructions in the selected box for completing all subsequent Sections.*
4. Contact your benefit coordinator/payroll office to make sure that the employer contact information listed under Section 3 is correct for your agency. Fill in the total amount to be deducted/deposited from your check each pay period. *Note: The minimum is \$15 per investment option selected, per pay period.*
5. List all beneficiaries and the investment option selected for the beneficiary. If you have selected multiple investment options for a beneficiary, list the beneficiary multiple times (once for each investment option). **If you need to use multiple authorization forms, please complete all information on each form and staple the forms together before submitting.**
 - Write in the applicable investment option selected.
 - Check “yes” only if you have selected any new investment options.
 - Write in a percentage for each option. Failure to note this information will delay the opening of your account, as the form must be returned to you. *Note: Percentages must be whole numbers and must total 100.00%. Do not assign dollar amounts.*
6. Sign and date your State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form. Failure to do so will delay the opening of your account, as the form must be returned to you.

7. Make a copy of the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form for your records.
8. Mail the original State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit to the following address:

**Path2College 529 Plan
200 Piedmont Avenue, Suite 1204-West
Atlanta, Georgia 30334**

9. Note the date you mail your form, as contributions should begin within 30 days of this date. If the contribution amount noted on your pay stub/voucher does not match the amount requested on the State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form or contributions do not begin within 30 days, please contact your payroll office.
10. Your pay stub/voucher will reflect contributions made from your payroll. You will receive quarterly and annual statements for each account either by paper or online depending upon your account settings. To go paperless and sign up for eDelivery of account information, visit www.path2college529.com and click on “Access Your Account” in the top right corner.

Note: You will need your account number(s) to establish a user ID and personal identification number (PIN). If you need assistance establishing a user ID and PIN, please contact the Customer Service Center toll-free at (877) 424-4377.

SECTION IV: Employer Steps for Administering PAYROLL DEDUCTION

1. Employee should submit the completed State Employee Authorization for Automatic **Payroll Deduction** or ACH Direct Deposit form and, if the payroll deduction is for a new account, the Account Application(s) to:

Path2College 529 Plan
200 Piedmont Avenue, Suite 1204-West
Atlanta, Georgia 30334

2. The P2C will send an approved copy of the employee's authorization form to the payroll office for establishing the deduction. **The authorization form should not be processed by the payroll office unless it has been appropriately stamped and dated by the P2C.** Once the approved authorization form is received by the payroll office, payroll deductions may begin the pay period following the date indicated in the box marked "Plan Use Only" under Section 6.
3. To set up the deduction code in Financial System PeopleSoft Payroll System, follow the navigation path: *GOPayroll for North America, Employee Pay Data USA, Deductions, Create General Deductions.*
4. Follow steps for setting up a general deduction and select the "GA 529" deduction code. Select the "flat amount" for the Deduction Calculation Routine. Enter the requested deduction amount in the Flat/Addl Amount Field.
5. When establishing the deduction for each employee, you must key his/her social security number in the "Account Identifier" field (without the dashes).
Please note: As per federal law, Section 529 college savings plan account owners must provide their social security number for tax reporting purposes.
6. After each payroll has been processed, a single contribution check **must** be made out to the "Path2College 529 Plan" totaling all employee pay group deductions.
Important: The employee "net" amount per pay period cannot be negative. The contribution check and Deduction Register(s) cannot include negatives. A manual adjustment may be required to offset negatives. Please see Section VI of this manual for instructions on reporting administrative errors.
7. A copy of your agency's "Deduction Register" (Report: PYxxx0001) **must** be attached to the single contribution check. The Deduction Register must include employee names along with their corresponding individual deduction amounts and social security numbers (see Step 5 above). The Georgia 529 plan is unable to process a contribution check that does not include a listing of employees and their social security numbers and contribution amounts. Failure to include your Deduction Register(s) will result in the contribution check being returned to you.

8. A Deduction Register for all pay groups included in the total contribution check must be included with the single contribution check. *Note: Deduction Registers must be printed single-sided.*
9. Complete a State Employee Payroll Deduction Batch Cover Sheet and place it on top of the Deduction Register(s) and the contribution check—do not staple or use paper clips. List each pay group total on the lines provided and then enter the agency total on the appropriate line. *Note: The agency total must match the contribution check amount*
10. Before mailing complete the following:
 - ✓ Review your Deduction Register to ensure that all negatives have been addressed/corrected.
 - ✓ Review your Deduction Register to ensure that the Account Identifier field (i.e. social security number/tax identification number) is completed for each employee listed.
 - ✓ Review the total for all Deduction Registers to ensure that it matches the amount of the accounts payable check.
 - ✓ Make sure all documents including your contribution check are facing up with the Batch Cover Sheet on top.
 - ✓ Open/unseal your accounts payable check if it prints “closed”—the face of the check must be facing upward with all other documents to ensure it is imaged properly and allows the processor to view the amount of the check.
 - ✓ DO NOT STAPLE OR USE PAPER CLIPS

11. Mail the batch to:

**Path2College 529 Plan
P.O. Box 105307
Atlanta, GA 30348-9686**

Note: If you have more than one Deduction Register, failure to include the Batch Cover Sheet may result in the return of your agency’s contribution check, as the check and “total” contribution amount (i.e. deductions total for all pay groups) must match.

12. Upon request by the employee, the payroll deduction for Georgia 529 plan contributions may be stopped. No further action is required.

Employer payroll deduction questions should be directed to Deborah Smith or Shannon Ferguson at 404-463-0000 or toll-free at 866-529-9529, unless otherwise directed in written correspondence.

PATH2COLLEGE 529 PLAN

**State Employee Payroll Deduction
*Batch Cover Sheet***

TOTAL NUMBER OF PAGES:
(Report: PYxxx0001)

TOTAL CONTRIBUTION AMOUNT:
(for all pages)

Pay Group Totals:

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

Grand Total: \$ _____

(this amount must match contribution check amount)

EMPLOYER NAME: _____

CONTACT NAME: _____

CONTACT TELEPHONE: () _____

Mail to: Path2College 529 Plan
P.O. Box 105307
Atlanta, GA 30348-9686

SECTION V: Employer Steps for Establishing ACH DIRECT DEPOSIT

1. Employee should submit the completed State Employee Authorization for Automatic Payroll Deduction or **ACH Direct Deposit** form and, if the direct deposit is for a new account, the Account Application(s) to:

**Path2College 529 Plan
200 Piedmont Avenue, Suite 1204-West
Atlanta, Georgia 30334**

2. The P2C will send an approved copy of the employee's authorization form to the payroll office for establishing the direct deposit. **The authorization form should not be processed by the payroll office unless it has been appropriately stamped and dated by the P2C.** Once the approved authorization form is received by the payroll office, direct deposits may begin the pay period following the date indicated in the box marked "Plan Use Only" under Section 6.
3. To set up the contribution via direct deposit in Financial System PeopleSoft Payroll System, follow the navigation path: *Payroll for North America, Employee Pay Data USA, Request Direct Deposit.*
4. Code the Account Type (i.e. deposit) as **"Checking."**
5. Enter the ABA (American Bankers Association) routing number listed below in the Transit/Bank ID Field.

ABA Number – 011000028

6. Enter the employee's account number as a 17-digit field. The first 8 digits are the P2C DDA (Demand Deposit Account) number (99055634). The next 9 digits are the employee's social security number without dashes.

99055634XXXXXXXXXX

Please note: As per federal law, Section 529 college savings plan account owners must provide their social security number for tax reporting purposes.

7. Enter the dollar amount to be deposited per pay period.
8. If the employee currently has direct deposit, select the appropriate priority to deposit the amount. For more information, users can go to the UPK and review "Lesson 5.3: Recording Direct Deposits" guidance.
9. We strongly suggest that the first direct deposit be prenoted to ensure accuracy and to prevent unnecessary off-cycle corrections.

10. Upon request by the employee, the direct deposit for Georgia 529 plan contributions may be stopped. No further action is required.

Employer direct deposit questions should be directed to Deborah Smith or Shannon Ferguson at 404-463-0000 or toll-free at 866-529-9529, unless otherwise directed in written correspondence.

SECTION VI: How to Report an Administrative Error

General Information:

Section 529 college savings plan accounts may be *individual* trust accounts owned by the account owner and connected to an employee/account owner by his/her social security number. As per federal law, Section 529 college savings plans are afforded favorable federal tax treatment when savings are used to pay for qualified higher education expenses (i.e. tuition, fees, books, certain room and board, and any equipment required for attendance). A withdrawal other than a withdrawal to pay for qualified higher education expenses or a withdrawal for certain other limited reasons requires the distributee to pay federal income taxes on the earnings portion of the withdrawal and the account owner to pay Georgia income taxes on the earnings portion of the withdrawal. All withdrawals are pro-rata of contributions and earnings.

U.S. Securities and Exchange Commission (SEC) laws require that we invest a contribution to an account owner's 529 plan account based on the selected investment option(s) on the same day the contribution is received in good order, if received before the close of trading on the New York Stock Exchange. Unqualified withdrawals are typically returned to the account owner, and are based on the valuation of the account at the time of the withdrawal.

In the event that an administrative error occurs after you have submitted payroll funds on behalf of the employee, please follow the steps outlined below.

Employer Steps for Reporting an Administrative Error:

1. As soon as the error is discovered, complete the Path2College 529 Plan State of Georgia Employer Administrative Error form.
2. Complete all sections of the form.
3. Fax the completed form to (404) 463-5423.
4. Allow seven (7) to ten (10) business days for processing.
Please note: Verbal requests or verbal corrections to a previously submitted request form will not be accepted.

Please note: Erroneous deductions resulting in the over payment (i.e. amount actually deducted is more than the amount requested by the employee on his/her State Employee Authorization for Automatic Payroll Deduction or ACH Direct Deposit form) to an employee's 529 plan account **may** be addressed internally by:

- Temporarily suspending deductions to make the employee whole and restarting deductions for the correct deduction amount or
- Allowing the funds to remain in the employee's 529 plan account and sending the correct amount on all future deductions.

The above options are facilitated by the agency internally with the employee's approval. The Georgia 529 plan will not be responsible for administering "internal" corrections for Administrative Errors.

Questions regarding administrative errors should be directed to Deborah Smith or Shannon Ferguson at 404-463-0000 or toll-free at 866-529-9529, unless otherwise directed in written correspondence.

**Path2College 529 Plan
State of Georgia
Employer Administrative Error Report**

(Please Print)

Employee/Account Owner Name:	
Employee/Account Owner's Social Security Number:	
Contribution Made Via:	<input type="checkbox"/> Check <input type="checkbox"/> ACH Direct Deposit
Contribution Amount: <i>(This withdrawal of the contributed amount is based on the valuation of the account at the time of withdrawal, and may result in a taxable event to the employee and/or distributee.)</i>	\$
Date of and Reason for Request:	Date: _____ <input type="checkbox"/> Employee not entitled to payroll funds. <input type="checkbox"/> Administrative error/incorrect amount. <input type="checkbox"/> Other: <i>(please provide explanation)</i>
Make Check Payable to: <i>(Note: Checks are only payable to a state entity/agency.)</i>	
Mail Check to:	
Agency Contact Information:	<u>Contact Name:</u> <u>Contact Telephone Number:</u>

**FAX THIS FORM TO THE PATH2COLLEGE 529 PLAN
(404) 463-5423**

**SECTION VII:
Assistance for Common Issues**

Issue	Responsible Party	Contact Information
The payroll amount being deducted/deposited from my paycheck is incorrect.	Employer	Your Payroll Office
The investment option noted on my account is not the option I selected.	P2C/TIAA-CREF	(877) 424-4377
My contributions are not being allocated among my investment options like I requested.	P2C/TIAA-CREF	(877) 424-4377
I want to change my investment option.	P2C	(404) 463-0000 (866) 529-9529
I want to change my payroll deduction/deposit amount.	P2C	(404) 463-0000 (866) 529-9529
I want to discontinue payroll deductions/direct deposits.	Employer	Your Payroll Office
I need a duplicate quarterly/annual statement.	P2C/TIAA-CREF	(877) 424-4377
I requested a withdrawal but have not received it after 10 business days.	P2C/TIAA-CREF	(877) 424-4377
I want to know valuation information for my account(s).	P2C/TIAA-CREF	(877) 424-4377 www.path2college529.com
I had withdrawals for the previous tax period but I didn't receive a 1099.	P2C/TIAA-CREF	(877) 424-4377
I want to add a new beneficiary.	P2C	(404) 463-0000 (866) 529-9529
I want to change/update banking information.	P2C/TIAA-CREF	(877) 424-4377 www.path2college529.com
I need assistance creating or using my on-line account access.	P2C/TIAA-CREF	(877) 424-4377