



The Employer Guide to Payroll Deduction

Everything you need to know about helping your employees contribute to the Kentucky Education Savings Plan Trust (KESPT) through payroll deduction appears in this document. You'll find an overview below and complete details in the following pages.

The Employee

1. Open a KESPT account – online or by mail.
2. Complete the *Payroll Deduction Form*.
3. Mail the **original** *Payroll Deduction Form* to KESPT, along with the *Account Application(s)* (for new accounts opened by mail), if applicable.
4. Submit a **copy** of the *Payroll Deduction Form* to your employer.
5. Keep a copy of all forms.

The Employer

1. Receive the *Payroll Deduction Form* from the employee.
2. Begin payroll deductions in the amount and on the date requested by the employee.
3. Use your payroll bank to submit amounts deducted from your employee's pay to KESPT by Automated Clearing House (ACH) funds. **KESPT only accepts payroll contributions by ACH funds.**

If the employer cannot support ACH funds as the preferred method of payment, then the employee should consider using the Automatic Contribution Plan (ACP) offered by KESPT. Employees should visit www.kysaves.com or call KESPT for more information about making systematic contributions through ACP.

The Plan

1. Open a KESPT Account based upon the *Account Application(s)* submitted by the employee. Accounts can be opened online or by mail.
2. Establish the allocations among all Investment Options and Beneficiaries designated by the employee on the *Payroll Deduction Form*.
3. Receive the ACH payroll contributions from the employer's payroll bank and post the contributions to the employee's KESPT Account(s).

Questions? Call KESPT at 1-877-598-7878.

Education Savings Consultants are available to answer questions or provide assistance about all aspects of the Kentucky Education Savings Plan Trust.

We're ready to serve you.

Employee Responsibilities

1 Open a NEW Account - ONLINE or By MAIL

To open an account online:

- Visit www.kysaves.com.
- Click on **Open an Account**, then click on **Enroll Online**.
- Follow the instructions to open an Account. Repeat the process to open an Account for more than one Beneficiary. Be sure to download and read the *Disclosure Booklet*.
- Complete, print and sign the *Payroll Deduction Form* to establish payroll deductions.

To open an account by mail:

- Visit www.kysaves.com.
- Click on **Open an Account**, then click on **Download Enrollment Materials**.
- Print the appropriate *Account Application*. Repeat the process to open an Account for more than one Beneficiary. Be sure to download and read the *Disclosure Booklet*.
- Print the *Payroll Deduction Form*.
- Complete and sign the *Account Application(s)* and the *Payroll Deduction Form*.
- It could take up to 10 days to open an Account by mail.

Payroll contributions **will not** be accepted unless the Account is opened and each Investment Option is funded with at least \$15 through recurring payroll contributions.

- 2 Complete the *Payroll Deduction Form*. Use only one Form to allocate your payroll contribution for all Accounts and/or Investment Options you own.
- 3 Mail the original *Payroll Deduction Form* and *Account Application(s)*, if applicable, to the Plan at the address on the form.
- 4 Submit a copy of the *Payroll Deduction Form* to your payroll department. Payroll deductions will begin on or after the effective date indicated on the form. Contact your employer's payroll department if the deductions don't start as expected or if you have any questions about the timing of your payroll deductions.
- 5 Retain a copy of all forms for your personal records.

Questions? Call KESPT at 1-877-598-7878.

Education Savings Consultants are available to answer questions or provide assistance about all aspects of the Kentucky Education Savings Plan Trust.

When you're ready to make a change...

- **Contact your employer** to change your payroll amount or to stop payroll deductions.
- **Contact the Plan** to change your allocations among Investment Options and/or Beneficiaries. You can submit a new Payroll Deduction Form or call KESPT to change allocations at any time. Be aware that your updated instructions will replace any instructions you previously have on file with the Plan **in their entirety**. That means that your allocations for all Accounts and/or Beneficiaries must appear on **one** form.

Employer Responsibilities

- 1 Receive a completed and signed copy of the *Payroll Deduction Form* from the employee.
- 2 Establish payroll deduction using your payroll department's existing procedures. For Accounts opened by mail, allow at least 10 days for the Plan to open the Account and establish payroll allocations before sending any payroll deduction contributions to the Plan; otherwise the ACH contributions may be rejected.
- 3 Submit payroll contributions by Automated Clearing House (ACH) funds:
 - **Code the account as "checking".**
 - **Remit the payroll contributions to State Street Bank. (Use State Street's ABA number: 011000028.)**
 - **Enter the account number, a 17-digit field, as follows:**
 - > The **first 8 digits** will enable State Street Bank to identify KESPT. **(Use the Plan's DDA number: 99054199.)**
 - > The **next 9 digits** will enable KESPT to identify the employee. **(Use the employee's Social Security or Taxpayer Identification Number.)**

Tips

- Payroll contributions are posted to Accounts based on the employee's Social Security or Taxpayer Identification Number – not the Plan Account number.
- An ACH contribution will be rejected if the ABA number or the DDA account number is incorrect, if the Account is not coded as "checking", if the employee's Social Security or Taxpayer Identification Number is missing, incorrect or incomplete, or if the employee's Account is not yet opened.
- All rejections will automatically be returned to the employer via ACH.
- **ACH rejections will continue to occur until the problem is appropriately resolved.**

Questions? Call KESPT at 1-877-598-7878.


Education Savings Consultants are available to answer questions or provide assistance about all aspects of the Kentucky Education Savings Plan Trust.

Plan Responsibilities

- 1 Process the payroll contribution among the employee's KESPT Account(s) based on the allocations provided on the employee's *Payroll Deduction Form*, which must be received by the Plan **before** any payroll contributions are submitted by the employer.
- 2 If the Plan receives the funds and the employee's *Payroll Deduction Form* is not on file, the following actions will be taken by KESPT.
 - If the employee has only one KESPT Account, then funds will be deposited into that account.
 - If the employee has multiple KESPT accounts, then funds will be returned to the employer.In both cases, KESPT will request the *Payroll Deduction Form* from the Account Owner and/or the employer.
- 3 If KESPT receives the funds and cannot post them to an Account for any reason, such as an incorrect, incomplete or missing Social Security or Taxpayer Identification Number, a missing employee payroll deduction form, or no account opened by an employee, then funds will be returned to the employer within 24 hours of receipt through the ACH process.

How to Complete the Payroll Deduction Form

The Employee must complete the entire form to establish payroll deduction.

FIELD	DESCRIPTION
Employee's Name	The employee must be the registered Account Owner. An employee cannot contribute to an Account owned by a spouse or by anyone else.
Employee's Telephone Number	Used to contact the employee, if necessary.
Employee's Social Security Number	Used to identify the employee and to post the payroll deduction contributions to the appropriate Account(s) listed on the form.
Employer Information	Used to contact the employer, if necessary. Required information includes an employer name, address, telephone number and a payroll department contact name – not the Employee's (Account Owner's) name.
Effective Date	The date the employee wants the employer to begin his/her payroll deductions. (For employer use only.)
Amount Per Pay Period	The amount the employee authorizes the employer to deduct from his/her pay and to remit to KESPT. (For employer use only.)
Beneficiary Name	The name of each Beneficiary that will receive a percentage of the payroll contributions. All Beneficiary names must be listed on one form per employee – not per Account.
Investment Option Name, or Fund Code	<p>The name, or fund code, of each Investment Option that will receive a percentage of the payroll contributions. All Investment Option names for one or more Beneficiaries should appear on one form per employee – not per Account. A complete list of Investment Option names and fund codes appears on the <i>Payroll Deduction Form</i>.</p> <p>Note: The employee should check the appropriate box if a new Investment Option is being opened. The minimum initial contribution is \$15 for each Investment Option for each Beneficiary.</p>
Percentages	<p>The employee must allocate payroll contributions into each Investment Option using whole percentages, e.g. 10%, 20%, 30%, etc. Total allocations for all Beneficiaries and/or Investment Options must equal 100%. (For KESPT use only.)</p> <p>Note: Up to four Beneficiary Names and/or Investment Options can be entered on one form. An employee may submit an additional page to contribute to more than four Beneficiaries and/or Investment Options as long as total allocation equals 100%. The sum of all KESPT contributions for each Beneficiary and/or Investment Option will equal the amount deducted from an employee's paycheck.</p>
 <p>FINANCIAL SERVICES FOR THE GREATER GOOD™</p>	<p style="text-align: right;">Mail all forms to:</p> <p style="text-align: right;">Kentucky Education Savings Plan Trust P.O. Box 8100 Boston, MA 02206-8100</p> <p style="text-align: center;">Program Administration by TIAA-CREF Tuition Financing, Inc. Distributed by TIAA-CREF Individual & Institutional Services, LLC</p>