

# 529 TECHNOLOGY SHOWCASE

Highlighting the Latest  
In 529 Distribution  
Technology



COLLEGE SAVINGS  
PLANS NETWORK

A Network of the National Association of State Treasurers

# Facilitators



**John Mitchell**

Director, College Savings | Illinois Treasurer



**Sandie Palmer**

SVP, Head of 529 Education Savings | Franklin Templeton



**Alyson Luszc**

AVP, Advisor-Sold Plan Program Manager | T Rowe Price

# About the Showcase



**Provide learning for CSPN states and corporate affiliates**



**Highlight advances within a focus area (such as distributions)**



**NOT an endorsement or recommendation of any specific technology, vendor, or approach.**

# Questions...



**Please post your  
questions to the chat**

Alyson will be collecting questions and asking them at the end of the presentation.

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*flywire*

**Flywire**

**Flywire** will illustrate its direct-to-school solution. **Ascensus** will share its experience with use and implementation.



Digital distributions:  
Direct to Schools



# Who is Flywire?





**\$18.1B**

Total Payment Volume FY 2022

**3,500+**

Clients Worldwide

**240+**

Countries & Territories

**140+**

Currencies Supported

**1,200+**

Global Flymates

**13**

Global Offices

**10+**

Years to Build Payment Network

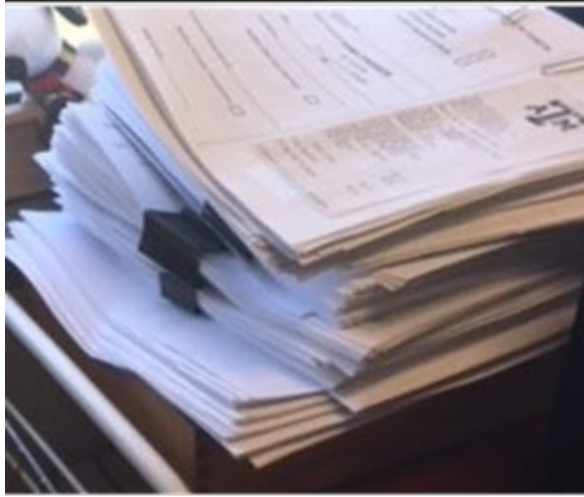
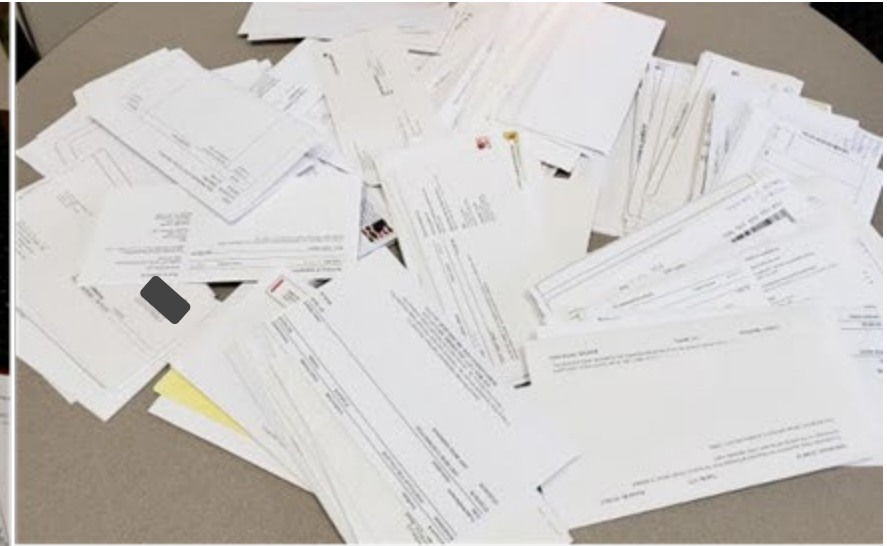
**1,000+**

Education Agents




# The Problem:

# Schools have spoken, and we listened



# School's situation: *too many problematic paper checks*

Manual entry, delivery errors, incorrect student info, customer service escalations...

 529 Savings Plan


Flywire University  
P.O. Box 5555  
Some City, MA 08854

Check Number  
123456789

Account Number  
111-22222-33

Account Holder Details  
Patricia A. Parent Owner  
FBO Stewart A. Student  
123 Main Street  
Some City, NY 10470

Date	Description	Amount
02/11/2022	529 Redemption	\$5,290.00
	Total Check Amount	\$5,290.00

 280 Park Avenue  
New York, NY 10027

Check Number  
123456789

Memo: 987654321

Date: 02/11/2022

PAY: \*\*\*\*\* FIVE THOUSAND TWO HUNDRED NINETY AND 00/100 DOLLARS \*\*\*\*\*


Pay to the order of  
FLYWIRE UNIVERSITY  
FBO 987654321  
PO BOX 5555  
SOME CITY, MA 08854

Amount: \$\*\*\*\*\*5,290.00

USPS Delivery

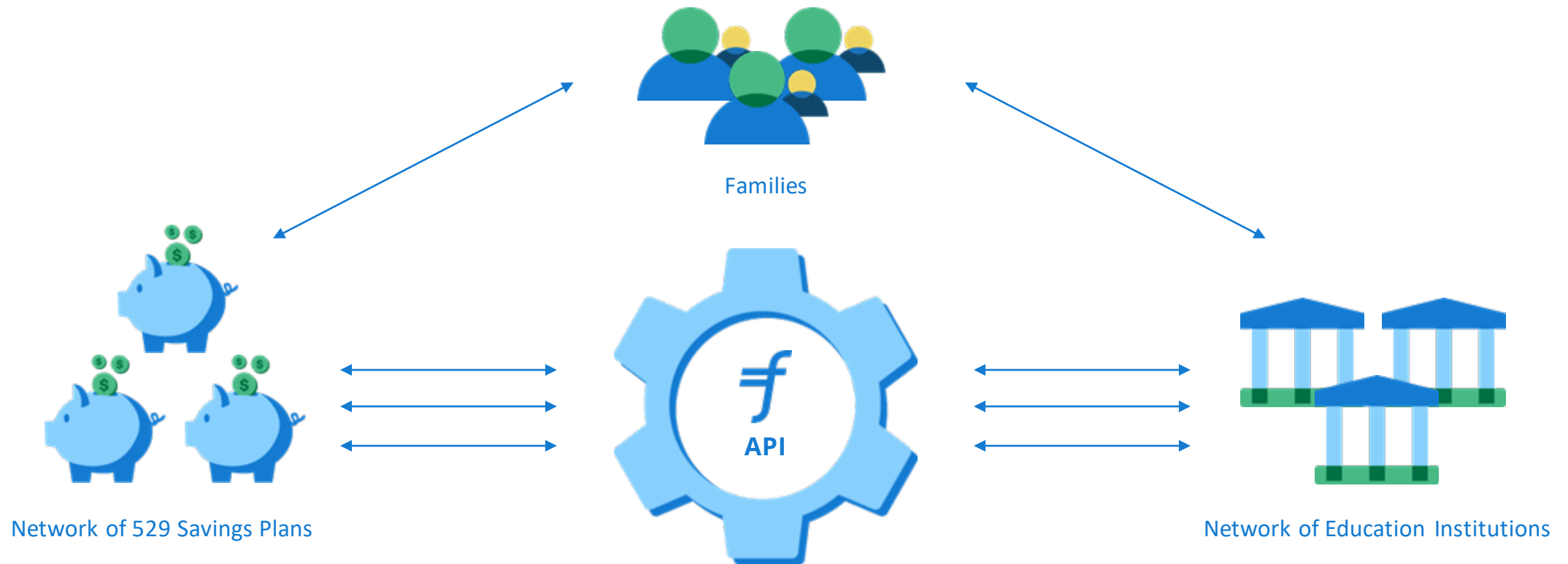
"Memo Line" (optional)

Manual School Entry



# How does it work?

# Flywire's 529 Disbursement Solution



## Partnership helps the school directory grow!

Submit



# The Power of Partnership

Iowa State University



Ascensus  
Referred

Activated  
June 23rd

1,054  
Payments

\$5.9M  
Delivered

*All data as of November 24, 2023*

# Ascensus Partnership

## • Who We Are



Largest independent retirement and government savings facilitator in the U.S.



\$173+ billion in Assets Under Administration



6.6+ million 529 Education Savings Accounts



Support 43 Education Savings Plans across 26 States and the District of Columbia



Support 23 ABLE (Achieving a Better Life Experience) Plans across 22 States and the District of Columbia



651,100+ Savers with a balance in a State-Facilitated Retirement Plan (SFRP) with \$607+ million in total assets

## • Why We Chose to Partner with Flywire



Global payments network and software company, on a mission to deliver the world's most important and complex payments

Brings more than a decade of innovation and **automation expertise** to every step of the payment process to:



- Enable electronic payments to universities across the United States
- Integrate seamlessly with partner applications – like Ascensus's 529 platform
- Deliver a better experience for students, families and institutions worldwide

# Direct payments to schools via *flywire*

## Ascensus Experience



### Ease of Implementation

**4 month** build to Flywire API

**3 month** pilot period with 2 plans; full rollout following



### Results

**88% growth** year over year (Aug/Sept to Aug/Sept)

**18% of all Payments** to Education Institution done via Flywire

**\$8,000 Avg** withdrawal via Flywire vs. **\$3,700** Avg withdrawal YTD



### Next Up

Mobile Withdrawal functionality targeted for **2024 Release**

## Account Owner Experience



### Speed of Payment

Settles in **2-3 business days**, giving flexibility to pay bills



### Peace of Mind

Real-time updates via text message notifications



### Vast Network

Over **670** schools and growing



### Cost Effective

Less expensive than expedited checks




### Ease of Use


**99.7%** of payments delivered without any customer service assistance

**670+** schools  
**116k+** transactions  
**\$1B+** distributed

# Account Owner Experience

Flywire data drives  
Ascensus UX

 Make a Distribution

 Beneficiary Name

What are the details for this electronic payment?

Once your distribution is complete, your funds will be sent electronically to the college or university you selected. The payment will appear in your student's account in 2-3 business days. Please include the following required details for your transaction to begin.

Amount \$20,000.00

Mobile phone (111) 222-3333

Indiana University - All Campuses 529 Distributions required fields

Campus

Student ID

Last Name

First Name

By submitting this information, you agree to share this election payment details with a third-party to enable this transaction.

[Cancel](#)[Previous](#)[Next](#)

Distribution Type

Details

Review

Done



# What institutions are saying about Flywire



It used to take up to 10 days to get a check from a 529 provider and another day to get it onto a student account. Now, it takes as little as two days.

University of Michigan



We went live with this solution a year ago and already have transacted over 400 payments. It has been a better customer experience overall for the payer. It's faster and we have a better way to track the payment process.

Tufts University



It has been wonderful! Payments are received more quickly, and they are easier to process.

University of Rhode Island



This solution definitely meets the needs and expectations of our students and families. Once the 529 plan distribution request is made, the student now sees the credit on their account usually within 72 hours.

Purdue University





# Questions?

Contact us



**flywire**

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**ASCENSUS®**

Stan Marshall  
Product Manager  
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## Mastercard Prepaid Card



Catalis will highlight their Mastercard prepaid solution. Mississippi will share their early experience with implementation.



## Understanding The Industry Shift

- Since 2017, the number of college age beneficiaries has doubled
- Since 2015, gross distributions have doubled
- Growth rates are increasing



**1.7M+**

college-aged  
beneficiary  
accounts



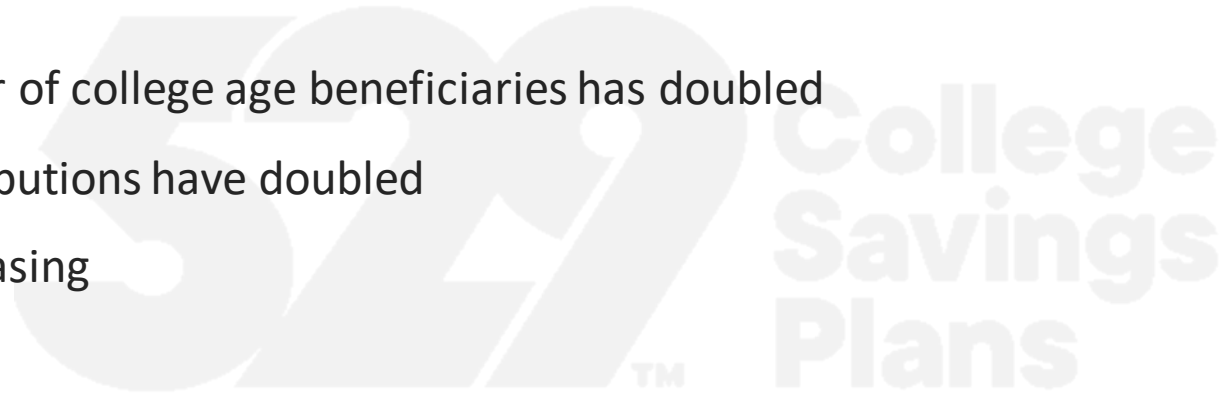
**15%**

of 529 accounts  
have college-aged  
beneficiaries



**9.3%**

increase in  
distributions year  
over year



# Pivoting to a Distribution-Focused 529 Experience

## User Experience

- Dual tools / logins?
- Dual call centers / help lines?
- Dual Customer Identification (CIP)?
- 508 Accessible?

## Costs & Usability

- Is it free (to the Plan and the Account Holder)?
- Is it available to all Account Holders (or is it linked to an investment option)?
- Is there a companion card option?
- Can it be used in-store and online?

## Security & Safeguards

- Can the Plan set spending limits?
- Can the Plan establish MMC code restrictions?
- Is the Plan able to eliminate the risk of paper checks?



# CATALIS™ Integrated Prepaid Card Features

Request card during or after enrollment

Extension of online savings account

Real-time API integration

Companion card option

Card request status

Card balance

Card transaction history

Expenditure tracking

Export for reporting

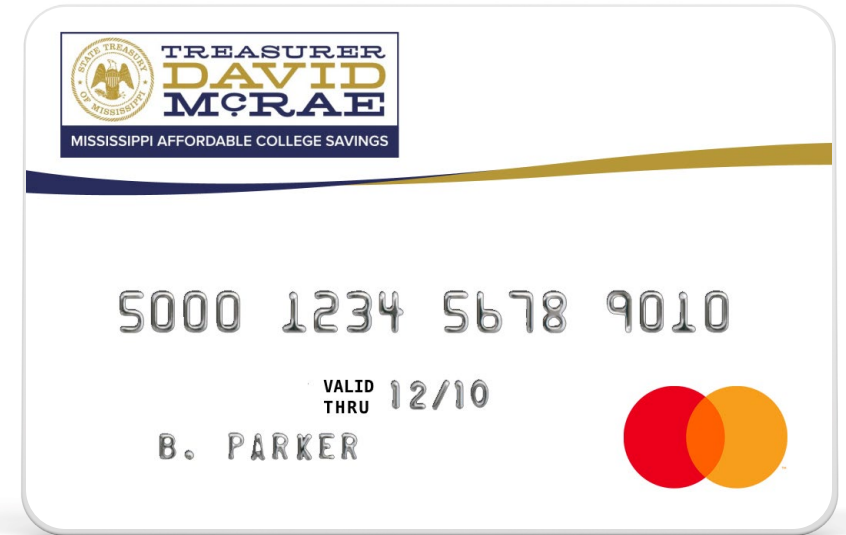
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*Our work together optimizes the payments experience, providing families with peace of mind that these vital purchases are seamlessly and securely handled.*

”

- Mastercard

## Mississippi Affordable College Savings Program (MACS)



“ We are excited about providing a seamless and safe payment method at no cost to our Mississippi students or their families. Now, whether you’re purchasing books, study materials, education-related technology, or your college’s meal plan, MACS funds can be used with a simple swipe of the card.

– Mississippi Treasurer David McRae





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## Discover Prepaid Card

**Gift of College** will share its prepaid solution with Discover. **My529** will describe their early experience with implementation.





**my529<sup>®</sup>** Utah's educational savings plan

# Why a my529 Access Discover® Prepaid Card?

- Enhance the account owner experience
- Improve flexibility and convenience of account fund usage
- Provide detailed method for expense tracking

A blue rectangular graphic with white text. At the top, it says "Introducing my529 Access". In the center is the my529 ACCESS logo, which consists of the text "my529" in a bold, sans-serif font with "my" in black, "5" in blue, "2" in orange, and "9" in green, followed by "ACCESS" in a smaller, black, all-caps font. Below the logo, it says "Simplify your withdrawals with the my529 Discover® Prepaid Card". At the bottom is a white button with the text "APPLY HERE" in black.

Introducing  
my529 Access

**my529**  
ACCESS

Simplify your withdrawals with the  
my529 Discover® Prepaid Card

APPLY HERE

# Convenience and Control

- Digital and physical cards available
- Use online or in person like a credit or debit card
- E-check and bill pay options
- Online portal provides transaction tracking and monthly statements
- Restricts certain merchant types





# Online Platform facilitates Card Management

**open\*cp.**

My Cards

Transfer Funds

FAQ

ESign Agreement

Cardholder Agreement

Fee Schedule

Privacy Policy

Logout

My Cards

Available Balance \$0.00

my529  
ACCESS  
\*\*\*\* \* 0798  
SECURITY CODE \*\*\* VALID Thru \*\*/\*\*  
Mark Test 6  
DISCOVER  
Show Secure Data

Card Type  
Primary

State  
Virtual

Status  
Active

Actions  
📄 🔑 💬 📄 📄 📄 🚫

Start Date  
08/22/2022

End Date  
02/22/2023

Search

Reset

Recent Transactions

Account Statement

Transaction Id	Date Time	Card Last 4	Icon	Transaction Type	Amount	Rolling Balance
There are currently no transactions						

# Implementation Process

- Established multi-party contract
- Decisions included:
  - Program name
  - Card balance, usage & transaction limits
  - Merchant code restrictions
  - Application of fee and amounts
  - 529 account owner eligibility
- Developed card registration, account linkage for funding and Central Payments online portal
- Marketing methods and timing
- Customer service and Marketing/Compliance training

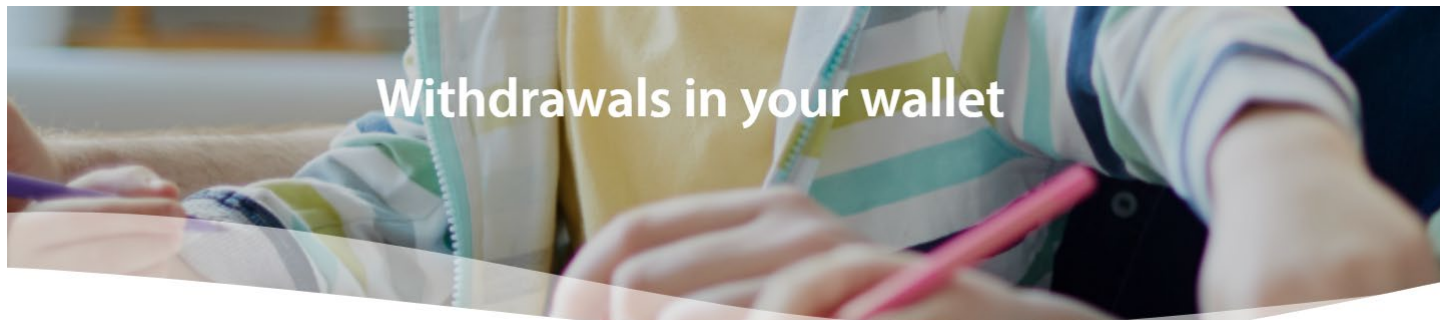




# Card Launch and Usage



- Debit card for payments is part of my529's innovative solutions strategy.
- Steps to launch included a Q2 test pilot followed by a soft launch in June/July prior to full launch in August.
- Average withdrawal to a primary card is just over \$1,000.
- Account owner in Nevada funded a primary card and transferred funds to secondary cards for beneficiaries in Washington and Michigan.



# Next Steps

- Marketing
- Best practices
- Monitoring adoption rate and usage
  - Resource support from Discover



# Questions and Panel Discussion



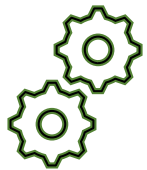
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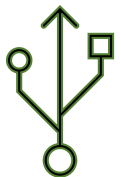
# CSPN Data, Operations, and Technology (DOT) Committee



**CSPN data collection and studies on 529 plans and savers**



**Operational discussions and white papers on shared operational challenges**



**Reviews of technology shaping the 529 industry**