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Florida Prepaid College Plan Payroll Deduction Guidelines

PAYROLL DEDUCTION AUTHORIZATION FORM

Payroll deduction may be initiated only for existing or new Florida Prepaid College Plan accounts. Employees will need their Florida Prepaid College Plan 10-digit account number(s) to complete the **Payroll Deduction Authorization Form**.

The employee completes and submits the Payroll Deduction Authorization Form to the employer; then the employer submits a copy of the form to the Florida Prepaid College Plan by either FAX at 850.309.1766, mail to: Florida Prepaid College Plan, P.O. Box 6567, Tallahassee, FL 32314-6567 or email PayrollDeduction@Florida529Plans.com.

MULTIPLE ACCOUNTS

Employees are not limited to the number of accounts for which they may authorize payroll deduction.

PAYROLL DEDUCTION ROSTER

The Florida Prepaid College Plan will provide a **Payroll Deduction Roster**, listing the deduction amount per account, by pay period, for each employee. An updated roster will only be provided for the month following the addition of new accounts, payroll deduction changes, or upon the employer's request.

ADDING EMPLOYEES TO PAYROLL DEDUCTION

For a **newly enrolled Florida Prepaid College Plan account (an account established in the annual Open Enrollment that ends February 28, 2017)**, we must receive the Payroll Deduction Form by March 1, 2017. To ensure that a full monthly payment is received by the first payment due date of April 20 of the enrollment year, we recommend that the employer take the first deduction from the last paycheck in March. Please see the attached Payroll Deduction Calendar. For an existing Florida Prepaid College Plan account, we must receive the Payroll Deduction Form by the last workday of the *current* month. The first deduction should be taken from the last paycheck of the *following* month. The account owner is responsible for submitting the monthly payment for the current and following month directly to the Florida Prepaid College Plan while the payroll deduction is being established.

For Example: If the Payroll Deduction Form is submitted to the program in May, you should start payroll deduction from the last paycheck in June. The account owner must make his/her full monthly payment *directly* to the program for the months of May and June. Payroll Deduction payments will be for July and thereafter.

DELETING EMPLOYEES OR MAKING CHANGES TO PAYROLL DEDUCTION

If an employee terminates or other changes are required to the Payroll Deduction Roster, the employer should indicate these changes directly on the Payroll Deduction Roster and use this modified roster for the current month's deduction payment. Additionally, the employer needs to notify the Florida Prepaid College Plan of any changes to the Payroll Deduction Roster by FAX at 850.309.1766 or by email at PayrollDeduction@Florida529Plans.com so that we may update this information and issue a new Payroll Deduction Roster to the employer for the following month.

The employee/employer must initiate any changes to the payroll deduction, which includes the deletion of payroll deduction upon a Florida Prepaid College Plan account becoming paid in full.

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DEDUCTION FREQUENCY

Deductions may be taken monthly (12 payments annually), school term (20 payments annually), semi-monthly (24 payments annually), biweekly (26 payments annually), or weekly (52 payments annually).

DEDUCTION AMOUNT

The Florida Prepaid College Plan will calculate the payroll deduction amount for the employer based upon the selected deduction frequency and provide this information in the **Payroll Deduction Roster**. The deduction amount is based on the monthly payment for each Florida Prepaid College Plan account selected by the employee, divided by the deduction frequency.

SUBMITTING YOUR DEDUCTION PAYMENT TO THE FLORIDA PREPAID COLLEGE PLAN

The payroll deduction payment may be submitted by check or by electronic funds transfer. Regardless of method, **a Payroll Deduction Roster must accompany each payment**. The payroll deduction payment should be submitted after each pay period. If paying by check, the employer must submit the Payroll Deduction Roster and payroll deduction payment to: Florida Prepaid College Plan, P.O. Box 31088, Tampa, FL 33631-3088.

EMPLOYEE-ACCOUNT OWNER-CHILD RELATIONSHIP

The employee does **not** have to be the *account owner* of the Florida Prepaid College Plan or related to the beneficiary (child) to authorize and make payments by payroll deduction. However, the account owner has sole authority to make changes or cancel the plan, and **refunds are issued only to the account owner** – even if someone else is making the payments.

PARTIAL DEDUCTIONS

A full deduction must be made each paycheck; no partial deductions can be made (or are allowed). If a full deduction cannot be taken, the employer should enter a "\$0.00" deduction on the Payroll Deduction Roster. The account owner will be responsible for submitting the payment directly to the Florida Prepaid College Plan.

NEGATIVE DEDUCTIONS

No negative deductions can be made (or are allowed). If an extra payment is submitted in error by the employer, the employer may not decrease any subsequent payroll deduction payments (i.e., negative deductions). The employer must submit a request to the Florida Prepaid College Plan to have the funds returned to the employer.

COST

There is no additional cost for the employee or employer to participate in payroll deduction. The application fee for a newly enrolled Florida Prepaid College Plan account cannot be payroll deducted. The application fee must be submitted with the application before beginning payroll deduction.

FEDERAL TAXES

Payments to the Florida Prepaid College Plan are not a pre-tax deduction and are not tax deductible. We cannot provide tax advice. The employer and employee should consult their own tax advisers.

QUESTIONS? Call **1.800.552.GRAD (4723)** and ask to speak with our Payroll Specialist.