



# Verbal NextGen Distribution

## HOW IT WORKS

- 1) **To process a NextGen distribution verbally, call 877-4-NEXTGEN (877-463-9843) between 8:30 AM and 6:30 PM (Eastern Time), Monday through Friday.**
  1. You will be connected to NextGen's "Interactive Voice Response System" which requires the caller to speak the NextGen account number and account owner's zip code.
  2. Press "0" twice at anytime and a College Plan Services Representative will assist you through the distribution process.
- 2) **Prior to contacting College Plan Services (CPS) please note the following:**
  1. Only the account owner can initiate a NextGen withdrawal.
  2. Identify distribution method. *See page 2 for methods and restrictions.*
  3. Identify total amount to be liquidated.
  4. Identify the Portfolio(s) and share class to be liquidated. **NOTE:** Matching Grant assets must be liquidated prior to other assets as long as the matching grant assets are intended for qualified higher education expenses.
- 3) **College Plan Services Security Verification**
  1. All questions must be answered by the account owner.
  2. Security Verification must be conducted and successfully completed.
  3. All transactions will be taken over a recorded line.
  4. College Plan Services reserves the right to request documentation to process a request at any time.
- 4) **Identify the Portfolio(s) and share class to be liquidated.** At this point in the verbal distribution process CPS will confirm the portfolios to be liquidated and will check for matching grant assets. *See page 2 for information about liquidating matching grant assets.*
- 5) **Paper Distributions.** Paper distributions will continue and require FAME to authorize the release of matching grant assets. FAME will continue to use the Matching Grant Withdrawal Certification form, which will accompany the NextGen Withdrawal Request Form for processing.
- 6) **Requests received by 4:00 PM EST will be initiated on the same day.** Completing the distribution transaction takes 2 to 3 business days. *Please note:* It can take an additional 3 to 5 business days to receive the distribution check or wire. If you have not received the distribution within 8 business days from initiating the request, please contact FAME.
- 7) **All other distribution rules still apply. You will hear the following recorded disclaimer as part of the verbal distribution process:**

**Verbal 529 Disclaimer:** The federal and state tax consequences associated with the Program are complex, and you should consult a qualified tax advisor regarding the tax rules associated with your particular circumstances for taking a withdrawal. Although Merrill Lynch does not require any documentation in connection with this withdrawal request, you should retain all receipts for qualified higher education expenses with your other important tax documents. For further information on Qualified and Nonqualified withdrawals, please refer to the "Withdrawal" section of the NextGen College Investing Plan Program Description and Participant Agreement. Finally, please be advised that depending on your particular distribution transaction, CDSC fees may apply.

**Maine Accounts will be reminded at the conclusion of the disclosure recording that the account will not be subject to any maintenance or closeouts fees.**

# DISTRIBUTION METHODS

**PLEASE NOTE:** NextGen UGMA and UTMA Accounts are ineligible for verbal distributions. Submit the *NextGen Withdrawal Request Form* to FAME to initiate the distribution.

Payees	Payment Types	Restrictions
Participant or Beneficiary	Check or Wire Transfer ( <i>maximum \$50,000</i> )	<ul style="list-style-type: none"> <li>▪ If the distribution is made payable to the <u>account owner or account beneficiary via a check</u>, there is no restriction on the withdrawal amount.</li> <li>▪ If the distribution is made payable to the <u>account owner or account beneficiary via a wire transfer</u>, the requested amount must not exceed \$50,000.</li> <li>▪ Wire transfers are subject to a \$30 wire transfer fee that will be deducted directly from the account or from the distribution amount. You will be notified of this fee as part of the verbal distribution process.</li> </ul>
Eligible Institution of Higher Education	Check Only ( <i>maximum \$50,000</i> )	<ul style="list-style-type: none"> <li>▪ If the distribution is made payable to the <u>eligible institution of higher education</u>, payment can only be made by check and must not exceed \$50,000.</li> </ul>
Rollover to another 529 Plan	<b>Ineligible for Verbal Distributions</b>	<ul style="list-style-type: none"> <li>▪ Submit the <i>NextGen Withdrawal Request Form</i> to FAME to initiate the distribution.</li> </ul>
Third party payees ( <i>i.e., bookstore, rent, tuition management companies, etc.</i> )	<b>Ineligible for Verbal Distributions</b>	<ul style="list-style-type: none"> <li>▪ Submit the <i>NextGen Withdrawal Request Form</i> to FAME to initiate the distribution.</li> </ul>

## Processing Verbal Distributions of Matching Grant Assets

**1. If the beneficiary is at least 17 years old and the account has been opened at least 24 months\*:**

- a) The account owner will be notified that matching grant assets must be liquidated prior to other assets as long as the matching grant assets are intended for qualified higher education expenses. **NOTE:** Matching grant assets cannot be rolled over to another state 529 plan.
- b) Upon affirmation, the account owner will be asked to respond to the following certification:  
*Do you certify that the NextGen matching grant assets being withdrawn from your account will be used to pay for qualified higher education expenses of the beneficiary named on this account and that you are aware that you must retain supporting documentation in the event your withdrawal is audited by the State of Maine and/or the Internal Revenue Service and/or the Finance Authority of Maine?*
- c) Upon affirmation, CPS will liquidate matching grant assets. The recorded line will serve in place of FAME's paper certification. Liquidated matching grant assets will be assumed valid based on CPS's agreement to this protocol.

**2. If the above conditions are not met, CPS will inform you that the release of matching grant assets must be pre-approved by FAME and provide you with the option to:**

- a) Terminate the verbal distribution and contact FAME for assistance; or
- b) Proceed with the verbal distribution without the liquidation of matching grant assets. **NOTE:** Account owners with matching grant assets who intend to do a full liquidation of the account assets must leave at least \$50 in the account or the matching grant assets could be subject to rescission.

*\*Maine LiLA NextGen accounts are subject to a twelve month hold on Initial Matching Grant assets. Contact FAME for assistance in liquidating these matching grant assets.*

**Contact a FAME NextGen Representative at [NextGen@FAMEmaine.com](mailto:NextGen@FAMEmaine.com) or call 800-228-3734 if you have any questions or need assistance.**