

California Kids Investment and Development Savings Program

# For Today

Meet CalKIDS

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**Awards** 

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Registering CalKIDS Account

Frequently Asked Questions



## Meet CalKIDS



### California is telling our students that we believe they're college material – not only do we believe it, we'll invest in them directly.

- California State Governor, Gavin Newsom

The California Kids Investment and Development Savings Program (CalKIDS) created to help provide greater access to higher education for California's children.

Research shows that children with \$500 or less designated for college savings are 3 times more likely to enroll in college and nearly 4 times more likely to graduate than children with no savings.<sup>1</sup>

CalKIDS is a program designed to provide parents/caregivers with a starting point to save for their children's education and career development.



### By the Numbers

### CalKIDS accounts funded in it's first year:

- 3.4 million California School-Age Children
- Approximately 450,000 newborns each year

An investment of this magnitude in our children will undoubtedly help make the dream of a college education come true for a large number of families statewide.



### **How Does CalKIDS Work?**



Children born in California and eligible 1st-12th grade students receive a CalKIDS account with a seed deposit.



Families can open and link their own ScholarShare 529 account to maximize growth potential.



Money can be used for qualified higher education expenses.

Eligibility

Link

Distribution



# Determine Eligibility





The program consists of two awardee groups: Newborn and School-Age

California Newborns and eligible low-income public school students are automatically enrolled and given a CalKIDS college savings account with an initial deposit

Eligible participants are identified by data received from the California Department of Public Health and the California Department of Education

There is no need to apply and no requirement that families make any kind of financial commitment



#### **Newborn Awardees:**

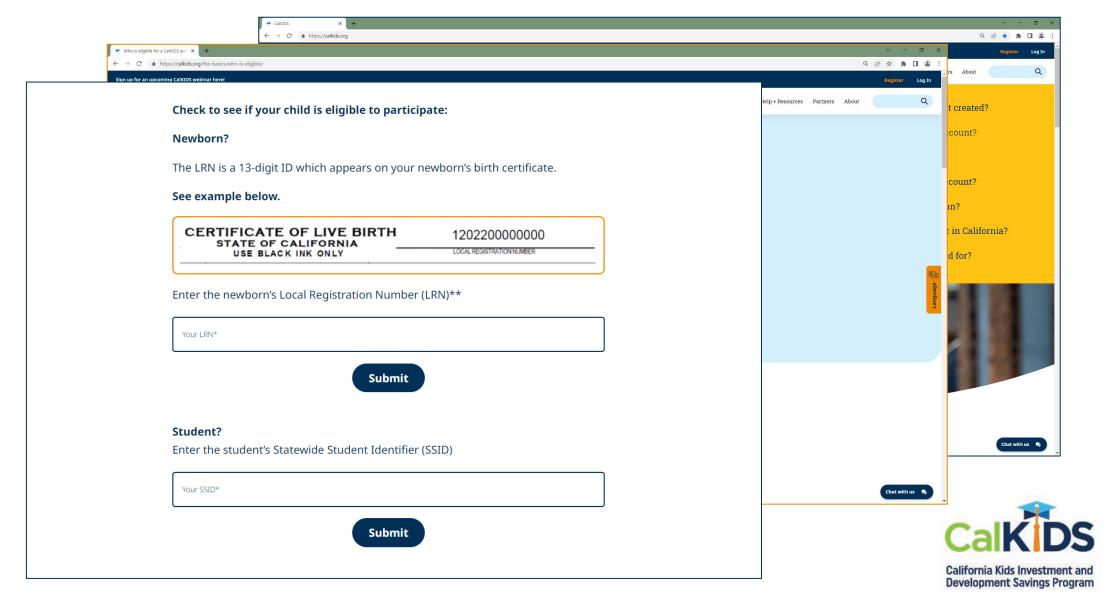
- Each child born in California on or after July 1, 2022, is eligible
- CalKIDS account is established with an initial seed deposit, regardless of income status
- Birth information is provided by Department of Public Health

#### School-Age Awardees:

- At launch, all eligible low-income California public school students enrolled in 1st through 12th grades during the 2021-2022 academic year as provided by the California Department of Education
- Starting this fall, and each year thereafter, each eligible low-income California public school 1st grade student as provided by the California Department of Education

Development Savings Program

## **Eligibility Tool**



## **Award**



### Award Structure - Newborn

- \$25 initial deposit in a CalKIDS account for every eligible newborn
- **\$25** deposit when a parent or guardian registers the child's CalKIDS account through the program's online portal CalKIDS.org
- **\$50** deposit made to the CalKIDS account when a participant links an existing or new ScholarShare529 college savings account



<sup>\*</sup> Financial incentives are established by the ScholarShare Investment Board and are subject to change.

### Award Structure – School Age

- \$500 automatic deposit in a CalKIDS account
- \$500 additional deposit in a CalKIDS account for eligible students identified as a foster youth
- \$500 additional deposit in a CalKIDS account for eligible students identified as homeless



## Registering CalKIDS Account





Go to CalKIDS.org to register

• 3 unique identifiers needed to register



### What is needed to register an account for a newborn:



- 1. Local Registration Number OR Unique CalKIDS code
- 2. Child's date of birth
- 3. Name of the County in which the child's birth was registered

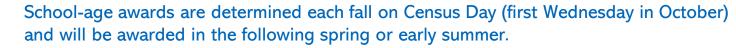
Newborn awards will be processed within 90 days from the time the Board receives birth data from the California Department of Public Health. Pursuant to state law, the California Department of Public Health is required to provide birth data to the Board within 90 days of a birth's registration.



### What is needed to register an account for a student:



- Registration Code:
   Statewide Student Identifier OR Unique CalKIDS code
- 2. Student's date of birth
- 3. Name of the County where the student was enrolled on Fall Academic Census Day
  - October 6, 2021, for students from the 2021-2022 academic year and starting this fall the first Wednesday in October for subsequent year





# Open & Link ScholarShare 529 Account



# ABOUT ScholarShare 529



California's official college savings plan



More than 20-year track record helping families pay for college

Over \$13 billion in assets<sup>1</sup>

One of the largest 529 plans in the country<sup>2</sup>



Overseen by the ScholarShare Investment Board, chaired by the California State Treasurer



# Making the Most out of Your Savings



\$50 incentive to link your newborn CalKIDS account to your ScholarShare Account



Use our
Ugift program to
encourage family
and friends to
contribute



For additional information go to ScholarShare529.com

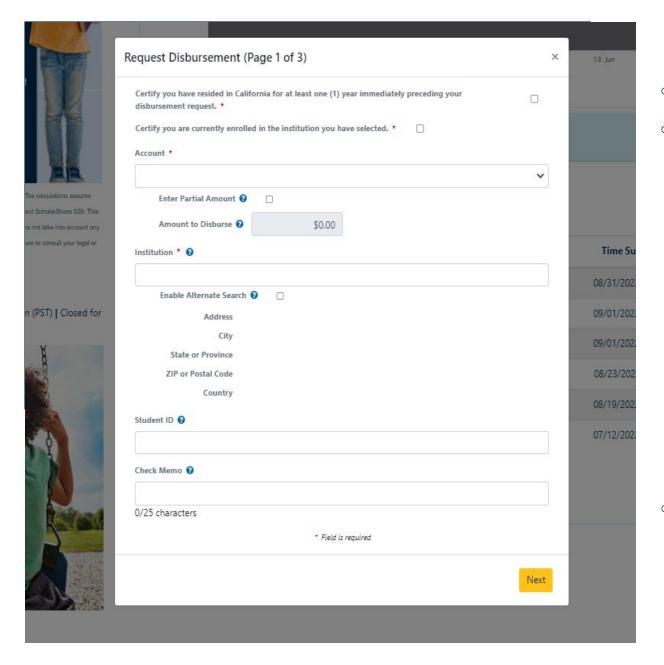


Join a webinar or meet with a college savings consultant



# Requesting a Distribution





- Log into CalKIDS Portal
- Select Request Distribution
  - Self-certification that they are enrolled in an Eligible Institution
  - Self-certification that they were a resident of California for the 12 months preceding the request
  - Account name from drop down
  - Dollar amount of the disbursement
  - Name and address of institution
  - Student's ID number issued by the institution they are attending
- Once approved, funds are paid directly to the Institution via check student will need to discuss payment processing timeline with the Institution.

California Kids Investment and Development Savings Program

### Request for Distribution



- Student must be at least 17 years of age to request distribution
- Funds are available up to the age of 26.
- Self-certification student was a resident of California for the 12 months preceding the request



- Enrolled in an Eligible Institution
- thousands of colleges, universities, and technical/vocational schools across the nation that are eligible to participate in federal financial aid programs [FAFSA]



- Funds are requested through your CalKIDS account
- Taxpayer ID is NOT required



- May request all or a portion of their balance
- Payments are sent directly to the institution for the benefit of the student

# Let's Review



## Let's Recap

- Eligibility
- Awards
- Registration
- Link a ScholarShare529 Account
- Use of Funds



## Resources



### Resources:

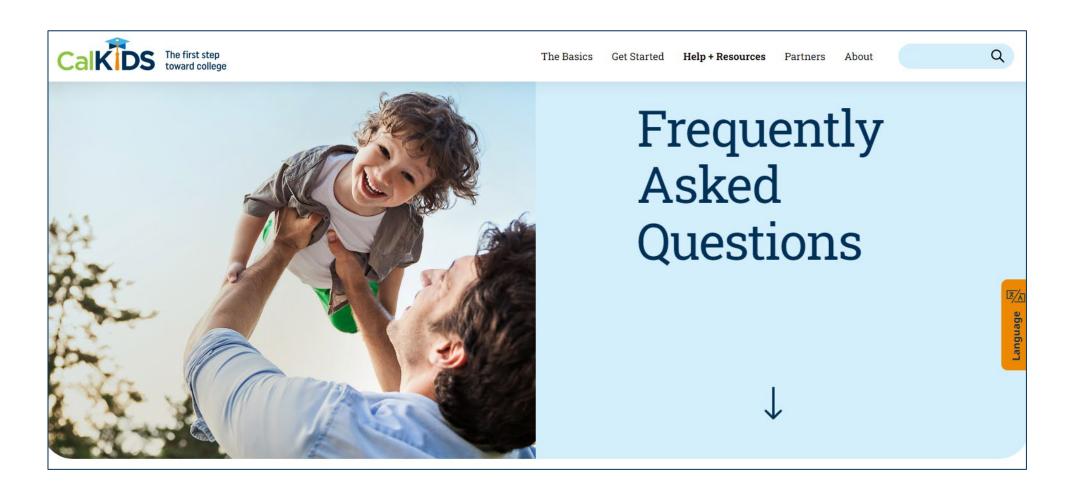
- o CalKIDS.org
- YouTube page
- Social Media Platforms
- ScholarShare529.com

- o Call Center 1-888-445-2377
- support@calkids.org



# FAQ's





**Support Center:** 1(888)445-2377

**Email:** Support@CalKIDS.org



# What If My Child Leaves California Before Enrolling in a Qualified Institution of Higher Education?

Program participants must reside in California for at least one year before they can use the funds in their CalKIDS account to pay for qualified higher education expenses at an eligible institution of higher education.



# Will I need to provide a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)?

The CalKIDS Program does not require any taxpayer identification number to participate in the program.



# Will CalKIDS funds impact my ability to receive financial aid?

To the extent permissible under federal law, the CalKIDS award is owned by the State of California and as such should not count against your calculation of financial aid while the account is under the State of California's control. Once the funds are paid out to the school of your choice, the financial aid office will coordinate the funds with your federal, state, and institutional financial aid. Please consult your financial aid office.



# Can my child use funds from a CalKIDS Account to attend a higher education institution outside of California?

Yes, eligible institution are defined for the Program as "Eligible Educational Institutions" as that term is defined by and generally include postsecondary institutions that are eligible to participate in federal financial aid programs, which includes thousands of colleges, universities, and technical/vocational schools nationwide and even some abroad. For additional information, contact your school to determine if it qualifies as an eligible educational institution.



### Do the Funds in my CalKIDS Account Expire?

Eligible Program participants have until age 26 to use all of the funds from their CalKIDS Account.



# Questions



### Disclosure

The California Kids Investment and Development Savings Program (CalKIDS) is a children's savings account program, administered by the ScholarShare Investment Board, an agency of the state of California. CalKIDS will provide children born in California with college savings accounts, including seed deposits and other potential incentives, to help pay for future qualified higher education expenses. To learn more about CalKIDS or opt out of the program entirely, please see the Program Information Guide at CalKIDS.org.

CalKIDS participants may also establish individual accounts with ScholarShare 529, California's 529 College Savings Plan. To learn more about California's ScholarShare 529, its investment objectives, tax benefits, risks and costs, please see the Plan Description at ScholarShare529.com. Read it carefully. Check with your home state to learn if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 plan. Consult your legal or tax professional for tax advice. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss. If the funds aren't used for qualified higher education expenses, a 10% penalty tax on earnings (as well as federal and state income taxes) may apply. Non-qualified withdrawals may also be subject to an additional 2.5% California tax on earnings. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter for California's ScholarShare 529.

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# Thank you

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