



Vanguard Direct Deposit Service

An easy, electronic
way to deposit your
pay at Vanguard



THE **Vanguard** GROUP



What Is Vanguard Direct Deposit Service?

Vanguard Direct Deposit Service™ is an electronic service that transfers all or part of any recurring payment—including paychecks, pensions, and Social Security and other U.S. government payments—directly from the payer to your Vanguard accounts. After you sign up for Direct Deposit, payments move to the Vanguard accounts you specify, immediately and automatically.

Like all Vanguard Express Services, Vanguard Direct Deposit Service is an easy way to simplify your finances and is offered at no charge.



Why Use The Service?

Our Direct Deposit Service offers many benefits, including:

- ***Speed.*** With Vanguard Direct Deposit Service, your payment can be deposited the same day it's issued, so it begins earning interest *immediately*. As long as the payer transmits your payment by Vanguard's deadline, the deposit will be credited to your account on time.*
- ***Simplicity.*** Direct Deposit saves time and effort. It eliminates the need to go to the bank, fill out deposit slips, and mail checks to Vanguard.
- ***Security.*** Your payment makes it to your account *safely and automatically*. You never have to worry about checks arriving late or getting lost in the mail.
- ***Privacy.*** The personal account information and investment instructions that you provide to Vanguard will always be kept confidential. They will never be provided to your payroll office.
- ***No charge.*** Vanguard charges no fee for Direct Deposit Service. And you save on the smaller expenses associated with

*Each deposit will be credited to your Vanguard fund account(s) on the day your payment is issued (the effective date) only if Vanguard's custodial bank receives it by 7 a.m., Eastern time, on the effective date.

depositing your check yourself, such as postage stamps and bank checking fees.

- ***“Enforced” savings.*** When you deposit your payments directly in your Vanguard account, you commit to investing on a regular basis.
- ***More investment opportunities.*** When you use Vanguard Direct Deposit, you tap into a world of investment opportunities not available at most banks. You can choose from more than 90 Vanguard mutual funds—including funds that invest in U.S. or international stocks, taxable or tax-exempt bonds, and money market securities.
- ***Balance and diversification.*** Direct Deposit lets you divide your investment among up to four Vanguard funds. Split your check among aggressive, moderate, or conservative funds—in whatever combination best meets your investment objectives.
- ***Flexibility.*** After you establish Direct Deposit Service, you can change the fund accounts specified for your deposit simply by calling Vanguard.
- ***One-time setup.*** Fill out and return the Vanguard Direct Deposit Application (and any forms required by your payer). After you establish Direct Deposit, there’s nothing else for you to do.



Combine With Other Services

Direct Deposit can be combined with other Express Services (see page 8) for maximum investment flexibility.

For example, after a payment is deposited in your account, you can use Vanguard Automatic Exchange Service™ to regularly transfer part or all of your payments into other Vanguard accounts. Or you can use Vanguard Fund Express® to transfer money to accounts outside Vanguard. You may also wish to take advantage of the checkwriting and telephone-redemption options offered by many Vanguard funds.

Who can use Direct Deposit?

People use Vanguard Direct Deposit Service in a variety of ways:

- Retirees who receive both a pension and Social Security check often deposit one of these payments into an investment account, or they may deposit *part* of either payment in a Vanguard account.
- Two-income families often use Direct Deposit to allocate one income to an investment account.
- Parents frequently deposit a portion of their pay into a custodial account to build savings for their children.



How to Set Up Vanguard Direct Deposit Service

You may establish Direct Deposit Service for any recurring paycheck or payment of \$100 to \$100,000. Simply fill out the appropriate application form. (Two are enclosed: one for paychecks or payments from the U.S. government; the other for other recurring payments, including paychecks.) Please note:

- ***You must provide all forms.*** For the service to begin, you must send Vanguard the appropriate form and comply with any requirements set by the payer (for example, by filling out forms that your employer or government agency may require).
- ***You may need two forms.*** If you receive paychecks from more than one source, you need to fill out a separate Direct Deposit form for each organization.
- ***We'll confirm your enrollment.*** You will receive an Account Option Profile statement by mail to confirm that Vanguard has established Direct Deposit for your account. The first direct deposit to your account will usually occur no more than three pay cycles later. (You may confirm this time frame with your employer.)



Important Points To Remember

- ✓ You may establish Direct Deposit Service only for nonretirement Vanguard accounts.
- ✓ You may establish Direct Deposit no matter how often you are paid (weekly, biweekly, monthly, or any other schedule).
- ✓ You may set up direct deposits for all or part of your pay; you specify the amount. To change the deposit amount, simply call your employer or other payer.
- ✓ You can deposit your pay into one or more (but no more than four) Vanguard funds. If you decide to change the funds, just call Vanguard. (To change other account information, such as a Social Security number or account owner's name, you will need to fill out a new Vanguard Direct Deposit Application.)
- ✓ You may use Direct Deposit Service only for accounts that you have *previously* established by investing the minimum initial amount required for each fund. You cannot make an initial investment in a new Vanguard account through Direct Deposit.

- ✓ We will send you confirmation by mail each time a payment is made to your account. Usually, you'll receive the confirmation about seven to ten days later.
- ✓ Your employer (or other payer) must permit direct deposit in order for you to establish Direct Deposit Service with Vanguard. If your company has its own direct deposit form, you will still need to complete and return the Vanguard Direct Deposit Application to us.
- ✓ Purchase fees are charged by some funds. Unlike loads (sales commissions), these fees are paid directly to the fund to help defray transaction costs. Please check your fund prospectus for details.
- ✓ You may not use Direct Deposit Service with any account invested in the Vanguard Variable Annuity Plan.
- ✓ You can stop Direct Deposit Service by notifying the payroll office of the company or organization that pays you. You should also notify Vanguard when you cancel your direct deposit schedule.
- ✓ If you are missing the Vanguard Direct Deposit Application, you can obtain a new one by calling Vanguard at **1-800-662-2739**.



Simplify Your Finances With Vanguard Express Services

Would you like to learn more about other options that provide “express routes” for your money? Vanguard Express Services are easy to use and are offered to you at no charge.

- ***Vanguard Fund Express*** is a fast, convenient service that lets you transfer money electronically between Vanguard and your bank, savings and loan, or credit union account. You can transfer money with just a phone call, or you can have Fund Express make periodic transfers on a schedule you select.
- ***Vanguard Dividend Express***[™] helps you eliminate trips to the bank by automatically transferring your Vanguard dividend and capital gains distributions to your bank, savings and loan, or credit union account.
- ***Vanguard Automatic Exchange Service*** allows you to move money regularly from one Vanguard mutual fund account to another.

To learn more about these convenient, easy-to-use Express Services, please call Vanguard at **1-800-662-2739** any business day from 8 a.m. to 9 p.m. or Saturdays from 9 a.m. to 4 p.m., Eastern time. A Vanguard Client Services Associate will be pleased to assist you.



THE Vanguard GROUP.

Post Office Box 2600
Valley Forge, PA 19482

The Vanguard Variable Annuity Plan is offered by prospectus only. The plan is a flexible-premium, multi-funded variable annuity issued by Peoples Benefit Life Insurance Company, Form No. Series NA 100A (AUSA Life Insurance Company, Inc., in New York State only, Form No. Series AV423 101 109 498 CRT). Neither The Vanguard Group nor Peoples Benefit Life Insurance Company (AUSA Life Insurance Company, Inc., in New York State only) provides tax advice. Information on the plan in this brochure represents our understanding of annuity taxation. Investors are encouraged to consult a tax adviser for information on how annuity taxation applies to their individual situations.


**Toll-Free
Client Services**

1-800-662-2739

World Wide Web
www.vanguard.com

E-mail
online@vanguard.com

This brochure may be used in conjunction with the offering of shares of any of the member funds of The Vanguard Group only if preceded or accompanied by a current prospectus of each fund whose shares are being offered. All Vanguard funds are offered by prospectus only. Prospectuses contain more complete information on advisory fees, distribution charges, and other expenses and should be read carefully before investing or sending money. Prospectuses may be obtained directly from The Vanguard Group.

 Printed on recycled paper.

© 1998 Vanguard Marketing Corporation, Distributor.
All rights reserved.

BDDS · 101998