



TEXAS 529 UPDATE

BROUGHT TO YOU BY THE TEXAS TUITION PROMISE FUND®

MARCH 2021



IN THIS ISSUE

EASY ACCESS TO YOUR ACCOUNT

•
READY TO USE YOUR TUITION UNITS?

•
LET'S TALK ABOUT THE AUTOMATIC 10-YEAR TERMINATION OF A TTPF ACCOUNT

Newborn Enrollment Is Now Open

EASY ACCESS TO YOUR ACCOUNT

With just a click, you can view your account activity, track tuition units you've purchased to see if they are available for redemption, identify payments due or redeem tuition units when your beneficiary is ready for college! Just use the **login** function on the TTPF home page. As an existing account owner, you and your beneficiary can establish online access to your account. It's super easy – and all the information you need about your account will be at your fingertips.

Although general enrollment for the Texas Tuition Promise Fund® ended Feb. 28, there is still time for Texans with newborns to save for undergraduate resident tuition and schoolwide required fees at Texas public colleges and universities. Children younger than 1 year of age on the date of enrollment can be enrolled through **July 31, 2021**. Sales prices are subject to change on Sept. 1, 2021.

You can **enroll online** or by completing the plan's application form found in our **Enrollment Kit**.

Account owners with an existing pay-as-you-go or lump sum contract can purchase additional tuition units at this year's sales prices through Aug. 31 regardless of the age of the child who is the beneficiary of the account. However, account owners with

THROUGH SATURDAY, JULY 31, 2021

installment contracts established before Sept. 1, 2020, can only purchase additional tuition units by establishing a new contract – either an installment, lump sum or pay-as-you-go contract – during the enrollment period in which they are eligible to enroll.

Tuition unit sales prices for the 2020-2021 enrollment period are:

Type I = **\$151.64**

Type II = **\$108.35**

Type III = **\$28.81**

The next general enrollment period begins Sept. 1, 2021, with new sales prices based on Texas public college costs for the 2021-2022 academic year.

Ready to Use Your Tuition Units?



Time flies, and before you know it, your beneficiary will be ready to start college. When that time comes, you'll want to redeem available tuition units to pay your beneficiary's undergraduate resident tuition and schoolwide required fees.

The first step to redeeming your TTPF tuition units is signing into your account online, selecting the Benefits Information tab and following the instructions to authorize payment at a Texas public college or university, or by completing and returning the [Benefits Authorization Form](#). You will need the following information to begin the process of redeeming tuition units:

- TTPF account number
- Student ID number
- Name of the eligible Texas public college or university
- Term and semester attending

After you complete the online redemption process or submit the Benefits Authorization Form by mail, your designated Texas public college or university will be notified that your beneficiary will be using the plan to pay all or a portion of the school's undergraduate resident tuition and schoolwide required fees. The school will bill the plan for those costs following its "add/drop" period. Most Texas public colleges and universities will pre-credit the beneficiary's student account for the estimated amount to be paid by the plan while the billing is pending.

If the beneficiary is attending a Texas private college or university, an out-of-state college or university, a career school or a

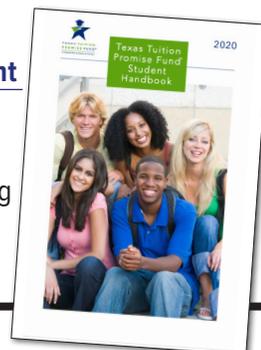
medical or dental institution, the Transfer Value will be paid.

Transfer Value (Transfer Outside of Plan) is limited to the lesser of (1) the costs of tuition and schoolwide required fees the tuition unit would cover at a Texas public college or university or (2) the original purchase price of the tuition unit, plus or minus the plan's net investment earnings or losses on that amount. Any outstanding fees imposed by the plan would be subtracted from the total transferred amount.

The purchaser must complete and return a [Transfer Value Payment Authorization Form](#) to apply the Transfer Value of their tuition units at a Texas private college or university, an out-of-state college or university, a career school or a medical or dental institution. This should be done as early as possible to allow ample time to process the payment before the school's payment deadline in order to avoid cancellation of classes. These schools will not pre-credit the student's account while payment is pending. To determine the Transfer Value of your account, log in to your account or contact the plan at 800-445-GRAD, option #5.

Remember the purchaser must authorize payment each semester. To avoid fees or cancellation of classes, any costs charged by the school that are not covered by the plan should be paid by the purchaser or beneficiary prior to the school's payment deadline. Please reach out to the school for more information about any costs not covered by the plan, payment methods and deadlines.

The [Texas Tuition Promise Fund Student Handbook](#) is a good resource for detailed information about using your plan benefits.



LET'S TALK ABOUT THE AUTOMATIC 10-YEAR TERMINATION OF A TTPF ACCOUNT

Beginning January 2021, the automatic 10-year termination deadline for your account will be noted on your annual statement. You have up to 10 years from your beneficiary's projected high school graduation date (as determined based on the application form) to use all the tuition units in the account; otherwise, the account automatically terminates upon reaching that deadline and any remaining tuition units are refunded. Any years a beneficiary spends on active duty in U.S. military service are added to the 10-year limit to extend the time period for using benefits. Your beneficiary just needs to provide proof of active-duty service to the plan prior to the automatic 10-year termination deadline.

Note: using your account to pay any costs of dual enrollment courses that offer college and high school credits while the beneficiary is still in high school will accelerate the 10-year termination deadline. The termination deadline will be 10 years from the year you begin using *(continues next page)*



(continued from page 2)

your account to pay for dual enrollment courses the beneficiary takes in high school.

Prior to the account's 10-year termination deadline, the purchaser can change the beneficiary of the account to another qualified beneficiary who meets eligibility requirements on the date of the change. If the new beneficiary is not a member of the family of the existing beneficiary, there may be adverse tax consequences. You should consult your tax advisor before taking such actions.

Not sure what to do with unused tuition units prior to the 10-year termination deadline? Read about some options on page 12 of the [Plan Description and Master Agreement](#). ■

TEXAS COLLEGE SAVINGS PLAN®

Did you know the state of Texas also offers an Internal Revenue Code Section 529 college savings plan? The Texas College Savings Plan® is a 529 plan that can be used to save for expenses not covered by the Texas Tuition Promise Fund, including graduate school tuition and fees, room and board, books and equipment. Plan enrollment is open year-round. Please visit TexasCollegeSavings.com for more information.



MATCHING SCHOLARSHIPS AVAILABLE TO PLAN ENROLLEES

The Texas Match the Promise FoundationSM awards matching scholarships and tuition unit grants to eligible fifth through ninth graders** who are enrolled in the Texas Tuition Promise Fund. The foundation encourages families to save for college by supplementing their contributions to the plan. Eligible students can apply between Sept. 1 and Dec. 31. More details can be found at MatchThePromise.org.

* Residency restrictions apply.

** Residency, household income restrictions, eligibility criteria, and minimum contribution requirements apply.

UPCOMING WEBINARS

The Texas Tuition Promise Fund is offering virtual learning opportunities about the plan. Register for one of our [upcoming webinars](#), and learn more about tuition units, tuition redemption values, payment options and more.*

TEXAS ABLE® PROGRAM

The Texas ABLE® Program is a tax-advantaged 529A plan for eligible individuals with disabilities to save for qualified disability expenses. Learn more at TexasABLE.org or [email us](#) to inquire about virtual presentations.

IMPORTANT LINKS

[Webinar Calendar](#)

[Texas Tuition Promise Fund](#)

[TTPF Enrollment Kit](#)

[Texas College Savings Plan](#)

[TexasABLE](#)

CONTACT US

TuitionPromise.org

[Email us](#)

Call 800-445-GRAD (4723), Option #5

PLANS AND PROGRAMS



Participation in the Texas Tuition Promise Fund® does not guarantee admission to or graduation from any college or university. Only the named purchaser may direct redemptions, withdrawals, changes in the designated beneficiary or other contract changes.

Non-residents of Texas should consider whether their home state, or the beneficiary's home state, offers its residents any state tax or other state benefits, such as financial aid, scholarship funds, and protection from creditors that are only available for participants in that state's 529 plan.

A contract, including the amount contributed, and any amount applied as a benefit or paid as a refund, is not guaranteed, insured or treated as a deposit or other obligation by the state of Texas, the FDIC, the Texas Prepaid Higher Education Tuition Board, any other state or federal governmental agency or Orion Advisor Solutions, Inc., or its affiliates. The contracts have not been registered with or approved by the U.S. Securities and Exchange Commission or with any state.

Purchasers should carefully consider the risks, administrative fees, service and other charges and expenses associated with the contracts, including Plan termination and decreased transfer or refund value. The Plan Description and Master Agreement contains this and other information about the Plan and may be obtained by visiting texastuitionpromisefund.com or calling 800-445-GRAD (4723), Option #5. Purchasers should read the document carefully before purchasing a contract.