



TEXAS 529 UPDATE

BROUGHT TO YOU BY THE TEXAS TUITION PROMISE FUND®

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The State's Prepaid College Tuition Plan

OPEN FOR ENROLLMENT

The Texas Tuition Promise Fund® (TTPF) is a tax-advantaged 529 plan that allows families to lock in today's prices for tomorrow's undergraduate resident tuition and schoolwide required fees at Texas public colleges and universities. The plan is authorized by Section 529 of the Internal Revenue

GENERAL ENROLLMENT JUST OPENED FOR THE 2021-22 ENROLLMENT YEAR

Code and administered by the Texas Prepaid Higher Education Tuition Board, with assistance from the Texas Comptroller of Public Accounts.

TTPF is designed to be used at Texas public colleges and universities where tuition and schoolwide required fees are locked in, but you have the flexibility of using the **Transfer Value** of the plan at medical and dental institutions, private and out-of-state colleges and universities, career schools and registered apprenticeship programs, where tuition and schoolwide required fees are not locked in.

Account owners with an existing pay-as-you-go or lump sum contract can now purchase additional tuition units at this year's sales prices. Account owners also can establish a new contract during the enrollment period.

Learn about opening a new account – whether you're an existing account owner or a new account owner – and about unique scholarship opportunities available to eligible participants in this edition of our newsletter.



A Plan for Texas Families

General enrollment in the Texas Tuition Promise Fund (TTPF) began Sept. 1, 2021, and runs through Feb. 28, 2022. Newborn enrollment for children younger than 1 year of age extends through July 31.

Any U.S. citizen or legal resident 18 years of age or older — a parent, grandparent, loved one or friend — may enroll in the plan if the child who is the account beneficiary is a Texas resident. If the child is not a Texas resident, his or her parent must be the purchaser, 18 years of age or older, and a Texas resident.

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, 2022, or establish a new contract during the enrollment period. Account owners with an installment contract established before Sept. 1, 2021, 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.

PREPAID TUITION UNITS

Participants in TTPF purchase prepaid tuition units that can be used toward tuition and schoolwide required fees at Texas public colleges and universities. Tuition unit sales prices are based on the current academic year costs for these schools at the time of purchase.

The plan offers three types of tuition units that are assigned different values. Any type of tuition unit can be used at any eligible school; however, because each type has a different value, the number of units you will need when your beneficiary is ready for college will depend on the type of tuition unit used, the school attended and the number of credit hours enrolled.

Generally, 100 tuition units represent 30 semester credit hours, which is considered to be one academic year, at the Texas public college or university that most closely matches the pricing index for the type of

tuition unit. You can purchase 1 or up to the dollar equivalent of 600 Type I units for a beneficiary.

Once enrolled, you can purchase additional units at the current sales prices during this sales period — Sept. 1, 2021, through Aug. 31, 2022. Tuition unit sales prices are updated on Sept. 1 each year based on information provided by Texas public colleges and universities.

Tuition units must meet a **three-year holding period requirement** prior to redemption.

FLEXIBLE PAYMENT OPTIONS

Whether you want to purchase all your units at once or have a specific budget in mind, the plan offers a variety of payment options.

LUMP SUM — Purchase a minimum of 25 Type I or 50 Type II or III tuition units with one payment.

INSTALLMENT PLAN — Purchase a minimum of 25 Type I or 50 Type II or III tuition units and pay for them over a period of time. The cost of your units will be locked in at the current sales price plus a 6 percent annual interest charge. Select monthly or annual payments and a contract length of 5 years, 10 years or the number of years until the beneficiary's projected high school graduation date.

PAY AS YOU GO — Purchase at least one tuition unit of any type to establish your account and then purchase additional units, or fractions of units, in amounts of \$15 or more at any time that fits your budget. The cost of your units will be based on the sales price in effect when your payment is received and will be subject to change each enrollment period.

No matter the payment option you select, there is a one-time nonrefundable application fee of \$25 to enroll in the plan.

Visit TuitionPromise.org for more details about the plan. You can enroll online or download or order an enrollment kit on the website.

TUITION UNIT SALES PRICES

TYPE I

is based on the most expensive Texas public 4-year college or university

\$164.12/Tuition Unit

TYPE II

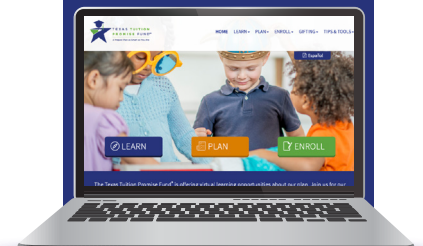
is based on the weighted average cost of all Texas public 4-year colleges and universities

\$112.59/Tuition Unit

TYPE III

is based on the weighted average cost of all Texas public 2-year colleges

\$29.15/Tuition Unit



Visit our online

[Tuition Planning Calculator](#)

to explore the flexibility of the Texas Tuition Promise Fund and compare:

**Tuition Unit Types
Schools
Payment Plans**



**NOW ACCEPTING
APPLICATIONS
FOR THE
MATCH THE
PROMISE
SCHOLARSHIP
PROGRAM.**



**MATCH
THE PROMISE
FOUNDATION**
MatchThePromise.org

**VISIT
MATCHTHE
PROMISE.ORG
FOR MORE
DETAILS ABOUT
THE PROGRAM
AND
TO APPLY.**

Scholarship Opportunities Available to Plan Enrollees

Have you heard? Your child could be eligible to apply for a unique scholarship opportunity from the Texas Match the Promise FoundationSM. This program helps young Texans realize their dreams of a college education while encouraging families to save for college by offering matching scholarships and tuition unit grants to eligible students who are enrolled in the Texas Tuition Promise Fund (TTPF).

ELIGIBILITY CRITERIA

To apply for the Match the Promise scholarship program, students must:

- have a TTPF account;
- be a student in grades five through nine;
- have a family income of \$100,000 or less; and
- be a Texas resident and a dependent for tax purposes of a Texas resident.

TWO LEVELS OF SCHOLARSHIPS

Match the Promise scholarships and grants are awarded in the form of TTPF tuition units, supplementing contributions made to a student's TTPF account during the TTPF sales period – Sept. 1 through Aug. 31.

MATCHING SCHOLARSHIP

Up to \$500 of participant tuition unit purchases matched with the same type of tuition units.

- Recipients with a family income of \$75,000 or less receive a two-to-one match worth up to \$1,000 at today's prices.
- All other recipients receive a one-to-one match worth up to \$500 at today's prices.

PROMISE SCHOLARSHIP

A one-time grant of tuition units that doesn't have a matching component.

- Recipients with the highest scores receive a tuition unit grant worth \$2,000 at today's prices.

EASY APPLICATION PROCESS

Eligible students may submit an application from Sept. 1 through Dec. 31. The parent who claimed the student as a dependent on his or her most recently filed federal income tax return can apply on behalf of the child.

The student must write a 200 to 300 word essay about a career of interest. In addition to the student's career essay, the parent will need to submit a copy of the student's report card for the most recently completed school year.

The foundation will determine approved recipients and notify them in April.

MINIMUM CONTRIBUTION REQUIREMENT

A minimum of \$100 must be contributed to an approved recipient's TTPF account during the current sales period (Sept. 1 through Aug. 31) to receive a matching scholarship or grant.

HOW IT WORKS

Scholarship applications will be scored by assigning points to career essays, grade averages, family income levels and numbers of dependents.

The minimum contribution requirement of \$100 applies to Matching Scholarships and Promise Scholarships. The Matching Scholarship will match up to \$500 of tuition unit purchases during the current sales period with the same type of tuition units. Participants may purchase more than \$500 of tuition units during this sales period, but only the first \$500 of purchases will be matched by the Matching Scholarship. The Promise Scholarship doesn't have a matching component.

Any contribution to a recipient's TTPF account during the current sales period — from the account owner, family or friends — will be included in the amount considered for the scholarship program.



UPCOMING WEBINARS

The Texas Tuition Promise Fund is offering virtual learning opportunities about the plan. Register for one of our [TuitionPromise.org/events](https://www.tuitionpromise.org/events), and learn more about tuition units, tuition redemption values, payment options and more.*

* Residency restrictions apply.

TEXAS 529A PROGRAM

Texas has a tax-advantaged Internal Revenue Code, Sec. 529A plan for eligible individuals with disabilities to save for qualified disability expenses. Learn more at [TexasABLE.org](https://www.texasable.org) or [email us](mailto:info@tuitionpromise.org) to inquire about virtual presentations.

CONTACT US

[TuitionPromise.org](https://www.tuitionpromise.org)

[Email us](mailto:info@tuitionpromise.org)

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

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.org](https://www.texascollegesavings.org) for more information.

IMPORTANT LINKS

[Webinar Calendar](#)

[Texas Tuition Promise Fund](#)

[Enroll Online](#)

[Academic Year Tuition Unit Pricing and Unit Value Redemption Guide](#)

(Updated every September)

[Texas 529 Update Archives](#)

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. Transfer Value applies to Tuition Unit redemption at medical and dental institutions, private and out-of-state colleges and universities, career schools and registered apprenticeship programs. Match the Promise Foundation scholarships can only be used at Texas public colleges and universities, and Transfer Value cannot be utilized. Transfer Value is limited to the lesser of (1) the costs the Tuition Unit would cover at a 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. Orion Advisor Solutions, Inc., serves as plan manager of the Plan. The Plan Description and Master Agreement contains this and other information about the Plan and may be obtained by visiting [TuitionPromise.org](https://www.tuitionpromise.org) or

calling 800-445-GRAD (4723), Option #5. Purchasers should read the document carefully before purchasing a contract.

The **Texas College Savings Plan®** is established and maintained by the Texas Prepaid Higher Education Tuition Board. Orion Advisor Solutions, Inc. ("Orion") is the plan manager and the Plan is distributed by Northern Lights Distributors, LLC ("NLD") and administered by Gemini Fund Services, LLC ("Gemini"). NLD and Gemini are not affiliated with Orion.

Before investing in the Plan, investors should carefully consider the investment objectives, risks, administrative fees, service and other charges and expenses associated with municipal fund securities. The Plan Description and Savings Trust Agreement contains this and other information about the Plan and may be obtained by visiting [TexasCollegeSavings.org](https://www.texascollegesavings.org) or calling 800-445-GRAD (4723), Option #3. Investors should read these documents carefully before investing.

Total asset-based fees for the most recent quarter end for the Plan are available [here](#) and all program fees are provided in the Plan Description and Savings Trust Agreement.

The account, the principal invested, and any investment return are 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, NLD, Gemini or their respective affiliates. An account in the Plan might not make money and could lose money (including the principal invested) if money is invested in the Plan. Interests in the Plan have not been registered with or approved by the U.S. Securities and Exchange Commission or with any state.

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