

Texas Tuition Promise Fund®

Transfer Value Payment

Authorization Form



For Payment of Eligible Costs at Texas Private Colleges and Universities, Out-of-State Colleges and Universities, Career Schools, Medical or Dental Schools, Apprenticeship Programs or K-12 Schools

Instructions

Please use this form to apply the Transfer Value of your Texas Tuition Promise Fund® (TTPF) Tuition Units toward eligible costs at **Texas Private Colleges and Universities, Out-of-State Colleges and Universities, Career Schools, Medical and Dental Schools, Apprenticeship Programs or K-12 Private and Public Schools** (see the **Benefits Authorization Form** for payments to Texas public colleges and universities).

- Transfer Value (Transfer Outside of Plan) is limited to the lesser of (1) the costs the Tuition Unit would cover at a public in-state 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. **Net investment earnings or losses continue to accrue until the day the Plan Manager processes payment. Any outstanding fees imposed by the Plan will be subtracted from the total transferred amount.**
- The Plan can only pay undergraduate tuition and schoolwide required fees for Texas Private Colleges and Universities, Out-of-State Colleges and Universities, Career Schools, Medical and Dental Schools, and Apprenticeship Programs and only tuition for K-12 Schools (Eligible Costs).
- This Form is required *every semester* even if the Beneficiary attends the same school or program each semester.
- Before you submit this form, make sure your Beneficiary is registered at the chosen school or program for the chosen term and year.
- Visit www.texastuitionpromisefund.com to:
 - view/download the *Student Handbook* for details on using TTPF benefits;
 - view FAQs on how to use TTPF benefits; and
 - log in to your account and view the estimated Transfer Value.

Forms can be downloaded from our website, or you can request a form by contacting a Customer Service Representative at **800-445-GRAD (4723), option #5**, Monday through Friday from 8am to 6pm Central Time.

Return this form and any other required documents by:

Uploading to: access.texastuitionpromise.com/login

Or Mailing to: Texas Tuition Promise Fund
P.O. Box 44305
Jacksonville, FL 32231-4305

SECTION I. | Purchaser Information

Please enter the Purchaser information below:

Texas Tuition Promise Fund (TTPF) account number

Name of Purchaser (First, middle, last, including suffix)

Street address (number and street, including apartment number, no P.O. Boxes)

City

State

Zip

() _____
Home telephone number

() _____
Daytime telephone number

Email address

SECTION II. | Beneficiary Information

The Beneficiary is the person designated on the account for which you are authorizing use of the Transfer Value of your Tuition Units toward payment of Eligible Costs at the chosen school or program for the selected term and year. **Please complete the following information about the Beneficiary:**

Last name (including suffix)

First name

M.I.

Beneficiary's Student ID number as assigned by the school

Street address (number and street, including apartment number, no P.O. Boxes)

City

State

Zip

()

Telephone number

Email address

SECTION III. | Authorize Payment

Name the eligible school or program that should be paid the Transfer Value of your Tuition Units toward the Eligible Costs:

School name

School campus/location

()

School's telephone number

School address (number and street)

City

State

Zip

Choose the term and year for which you are authorizing benefit payments:

Term (select one): Fall

Spring

Summer

Summer 1

Summer 2

Year: _____

(For instance, you may have selected Fall 2022 above.)

SECTION III. | Authorize Payment (continued)

YOU MUST ATTACH A COPY OF THE ITEMIZED BILLING INVOICE FROM THE SCHOOL OR APPRENTICESHIP PROGRAM SHOWING THE ELIGIBLE COSTS.

State how many of your mature Tuition Units may be used (select only one option below; Tuition Units are mature when they meet the three-year holding period):

- Use as many mature Tuition Units as needed to cover the total Eligible Costs billed by the school or program, up to all of my available mature Tuition Units, but not to exceed the total Eligible Costs billed by the school or program.
-OR-
- Use up to _____ (number) of Tuition Units, not to exceed the total Eligible Costs billed by the school or apprenticeship program.

Hypothetical example: If the school bills \$1,000 for undergraduate tuition and schoolwide required fees and you have ten (10) mature tuition units and the Transfer Value of your Tuition Units on the day payment is processed is \$100 per unit, checking the first box will authorize the Plan to deduct ten (10) Tuition Units from your account and send \$1,000 to the school. But if you check the second box and authorize up to eight (8) Tuition Units, the Plan will deduct eight (8) Tuition Units from your account and send \$800 to the school.

Note: Payment of the Transfer Value must be made directly to the eligible school or program. In no instance can the Plan pay more than the amount of Eligible Costs billed by the school or program. Apprenticeship programs must be registered and certified with the United States Department of Labor under Section 1 of the National Apprenticeship Act (29 U.S.C. Section 50 et seq.). Please note there is a \$10,000 limitation on payment of K-12 tuition which applies on a per-student basis, rather than a per-account basis, regardless of whether the funds are distributed from multiple 529 accounts. Recent tax reform legislation changes allowing for payment of K-12 tuition were on a federal level, and the tax consequences of using 529 plans for elementary or secondary education tuition expenses will vary depending on state law and may include recapture of tax deductions received from the original state as well as penalties. The account owner should consult with a tax or legal advisor before using the plan for K-12 tuition.

SECTION IV. | Signature

I confirm that I am the Purchaser of this account and certify that the information I have provided, with respect to my Texas Tuition Promise Fund (TTPF) account, is complete and accurate. I acknowledge that I have read, understand, and agree to the terms in the Plan Description and Master Agreement.

I understand that TTPF will pay the Transfer Value of my mature Tuition Units as calculated on the day the Plan Manager processes payment, up to the amount of available mature Tuition Units, or fewer if specified above, and payment will not exceed the total Eligible Costs billed by the Texas Private College or University, Out-of-State College or University, Career School, Medical or Dental School, Apprenticeship Program or K-12 School. Further, I understand that any additional amounts due to the school or program for tuition and fees not paid by TTPF are the full responsibility of either the Purchaser or the Beneficiary and must be paid by the school or program's deadline or the Beneficiary's classes may be cancelled or other penalties may be imposed by the school or program. I further understand that any refunds related to dropped classes, after the school or program has billed TTPF, are between the Beneficiary and the school or program and that no Tuition Units will be restored to my account after TTPF has paid the school or program. I confirm that I have attached a copy of the school or program's invoice for Eligible Costs.

x

Signature of Purchaser (required)

Date

IF YOU SUBMIT THIS FORM BEFORE AUGUST 1 TO AUTHORIZE TRANSFER VALUE REDEMPTION FOR THE FOLLOWING FALL SEMESTER, PLEASE CONTINUE TO THE NEXT PAGE.

SECTION V. | If You Submit This Form Before August 1 to Authorize Transfer Value Redemption for the Following Fall Semester, You Must Select Option A or B Below and Sign Where Indicated.*

Timing is an issue

Please be aware that the timing of the Transfer Value calculation could affect the amount paid to your Beneficiary's school or program. Transfer Value is limited to the lesser of (1) the costs the Tuition Unit would cover at a public in-state 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. Part (1) of the calculation is based on the assigned value (sales price in the year of redemption) of your Tuition Unit which is set annually by the Board. This typically occurs at the Board's August meeting, although it could occur earlier or later. Part (2) of the calculation is affected by the Plan's net investment earnings or losses which could be different depending on when it is calculated.

Calculate now

If you select Option A below, you agree that the Transfer Value will be calculated using the assigned value in effect at the time your form is received in our office, even if new rates have not yet been set. You acknowledge that if the form is received before the new rates are adopted by the Board, the Transfer Value will be calculated using the assigned value based on tuition and schoolwide required fee costs for the previous year. If the payment to the school or program for your account's Transfer Value is based on Part (1) of the calculation above, the amount paid to the Beneficiary's school or program could be less than it would have been if you had selected Option B to process your form after the new rates are set.

Calculate later

If you select Option B, your form will be held for processing until the new rates are adopted by the Board. This will delay payment to the school or program, possibly after their payment deadline. If you select Option B, you acknowledge that it is your responsibility to coordinate with the Beneficiary's school or program to determine if you or your Beneficiary needs to pay any amount out of pocket by the school or program's payment deadline to avoid any penalties imposed by the school or program, such as cancellation of classes or late fees.

Whether you select Option A or B, by signing below, you also acknowledge that investment earnings or losses used in calculating Part (2) of the Transfer Value calculation may be different because of the option that you select and that the calculation of the Transfer Value of your Tuition Units is final on the day it is calculated and no adjustments will be made for any difference in value after payment.

Choose One*:

Option A—Process this form upon receipt, and calculate the Transfer Value using the assigned value and net investment earnings or losses on my Tuition Units as of that date. I understand that the assigned value used in Part (1) of the calculation may be less if the form is received prior to the annual rate change than it would be after the new rates are adopted by the Texas Prepaid Higher Education Tuition Board. I also acknowledge that the Plan's investment earnings or losses may be more or less than if I exercised Option B.

-OR-

Option B—Hold this form for processing until the Texas Prepaid Higher Education Board adopts the new rates. I understand that if I select this option, payment may be made to the Beneficiary's school after the school or program's payment deadline, and this may cause the school or program to impose late payment penalties. It is my or my Beneficiary's responsibility to coordinate with the school or program regarding payment of Eligible Costs due in order to avoid any penalties imposed by the school or program, such as cancellation of classes or late fees. I also acknowledge that the Plan's investment earnings or losses may be more or less than if I exercised Option A.

x

Signature of Purchaser*

Date

***IF YOU DO NOT CHOOSE A OR B AND SIGN, THE PLAN WILL HOLD THE FORM AND WILL NOT PROCESS IT UNTIL THE NEW RATES ARE SET IN LATE AUGUST OR EARLY SEPTEMBER. THIS WILL DELAY PAYMENT.**

The Texas Tuition Promise Fund® (“Fund”) is administered by the Texas Prepaid Higher Education Tuition Board (“Board”). Orion Advisor Solutions, Inc. is the plan manager of the Fund. The Fund and the Board do not provide legal, financial, or tax advice and you should consult a legal, financial, or tax advisor before participating.

Non-residents of Texas should consider whether their home state, or the beneficiary’s home state, offers its residents any 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 plan.

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

You may lose money by participating in the Fund. No part of a contract is a deposit or obligation of, or is guaranteed or insured by, the Board, the state of Texas, or any agency or agent thereof. The contracts have not been registered with or approved by the SEC or any state. Purchasers should carefully consider the risks, fees, charges, and expenses associated with contracts, including Fund termination and reduced Transfer or Refund Value. Transfer Value applies to redemptions at private colleges and universities, out-of-state colleges and universities, medical and dental schools, career schools, and registered apprenticeship programs and is the lesser of: (1) the costs the units would cover at a Texas public college or university; or (2) the original purchase price of the units plus or minus net investment earnings or losses on that amount. The Plan Description and Master Agreement contain this and other information about the Fund and may be obtained by visiting www.TexasTuitionPromiseFund.com or calling 800-445-GRAD (4723), option #5. Purchasers should read the Plan Description and all other Fund documents carefully before purchasing a contract.

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