Private College 529 Plan℠

Tomorrow’s Tuition at Today’s Prices—GUARANTEED
Dear Prospective Account Owner:

Whether you are a parent, grandparent or a caring adult in a child’s life, thank you for your interest in learning how Private College 529 Plan™ (the Plan) can help you fund a private college education.

The more than 270 colleges and universities that collectively sponsor the Plan share a commitment to keeping a college education accessible to children. That’s why the Plan is structured as a pre-purchase of tuition and not an investment. This leaves no question about what your money will be worth in the future. You can purchase tomorrow’s tuition at today’s prices for any school in our nationwide network of colleges and universities—without having to choose a specific school until your child is ready for college. It doesn’t matter how much tuition increases or what happens in the stock market—your purchase is guaranteed. Add in the fact that 100% of each contribution goes toward tuition, and none toward fees, and you’ll see how locking in tomorrow’s tuition at today’s prices offers the potential for substantial savings on the cost of private college.

In the following pages, we’ll explain how Private College 529 Plan can help keep private college within reach for your child. You’ll find more detailed information about the Plan, the member schools and an easy path to enroll in the Plan on our website at privatecollege529.com.

Again, thank you for your interest in Private College 529 Plan. We hope you’ll find it an attractive option for you and your future college student.

President
Tuition Plan Consortium, LLC
FACT:
Only Private College 529 PlanSM offers a guarantee against tuition inflation at private colleges and universities across the U.S.

Take Rising Tuition Costs Out of the College Equation

If you want the benefit of a private college education for your child, but are concerned about the rising cost of tuition, Private College 529 Plan may be the answer.

Private College 529 Plan offers something that no other 529 plan can—a guaranteed way to lock in today’s tuition rates at a diverse group of more than 270 private colleges across the country.

Structured as a pre-purchase of tuition and not an investment, the plan eliminates the need to select investment options, follow financial markets or worry about a market downturn. Families can purchase tuition certificates at today’s price that may be redeemed at any participating school for up to 30 years.¹ What’s more, you are not required to commit to a school when you enroll in the plan, or at any time until your child is ready for college. Should your child opt for a public college or a non-member private college—or if she doesn’t attend college at all—you can change the beneficiary to an eligible family member, roll the account into another 529 plan or request a refund.²

Most importantly, the plan delivers significant savings on the cost of tuition, because you pay today’s tuition rates—rather than tomorrow’s. Additionally, the Plan charges no fees of any kind to the purchaser, which means that 100% of your contributions go toward purchasing tuition.

A Plan Sponsored by Schools
Tuition Plan Consortium, LLC (TPC), a national group of independent colleges and universities, sponsors Private College 529 Plan. TPC was created for the sole purpose of offering a prepaid 529 option to keep tuition at private colleges and universities within reach for American families. For more information about TPC, visit privatecollege529.com.

You may have the resources to pay for college tuition at a later date, but why spend more than you have to?

¹ A tuition certificate consists of all contributions to a single beneficiary’s account within a single plan enrollment year. Each unique certificate will be eligible for the redemption of tuition for 30 years from the date of the first contribution in each enrollment year. A 36-month holding period applies before certificates can be redeemed. See the Disclosure Statement for details.

² There may be tax consequences associated with these options. If you take a refund rather than redeem your tuition certificates for their intended purpose, the refund will be adjusted based on the net performance of the Program Trust, subject to a maximum increase of 2% per year, and a maximum loss of 2% per year. The refund amount will be paid from the Program Trust only. Additionally, the refund is subject to federal income taxes, any state income tax and may be subject to an additional 10% federal tax penalty. See the Disclosure Statement for details.
Pay Less by Paying Today

Opening a Private College 529 Plan account today can help you save substantially on the cost of college tuition. Simply put, if tuition inflation continues to rise at a rate of 5% per year, the power of your savings effectively grows 5% per year. Add to that the fact that in the absence of any plan fees, 100% of your contributions go toward purchasing tuition and you end up paying a lot less for tuition.

Tax advantages offer further savings potential

As with other 529 plans, Private College 529 Plan also offers attractive potential tax benefits.

- Redemption of tuition certificates is federal tax free as long as certificates are used to pay tuition and mandatory fees.
- Residents of states that offer a tax benefit for contributions made to any 529 plan may be eligible for a state tax deduction for contributions to the Plan. Consult a tax professional for more details.
- A contribution to Private College 529 Plan is a completed gift, and qualifies for annual gift tax exclusions. You may contribute up to $13,000 ($26,000 for married couples) annually, per beneficiary, or up to $65,000 ($130,000 for married couples) prorated over a five-year period.


4. See the Disclosure Statement for details. There may be tax consequences associated with these options. If you take a refund rather than redeem your tuition certificates for their intended purpose, the refund will be adjusted based on the net performance of the Program Trust, subject to a maximum increase of 2% per year, and a maximum loss of 2% per year. Additionally, the refund is subject to federal income taxes, any state income tax and may be subject to an additional 10% federal tax penalty.

5. If the account owner dies before the end of the five-year period, a prorated portion of the contribution allocable to the remaining years in the five-year period, beginning with the year after the contributor’s death, will be included within his or her estate for federal tax purposes.

The Plan Delivers Substantial Savings

This hypothetical cost comparison illustrates the potential savings one would realize by prepaying and “locking in” at today’s tuition cost ($35,000) versus waiting for 10 years and paying in full the then-current tuition price ($57,011). It also assumes that the cost of tuition increased at 5% annually throughout the 10-year period.
Access a Large—and Growing—Network of Schools

The Plan’s ever-growing network of participating colleges and universities, located throughout the U.S., provides access to a wide range of different types of schools including many of the nation’s top ranked schools.

What’s more, new institutions are signing up all the time, providing even more choice when your child is ready for college, as new member schools guarantee all purchases made before they joined.

Member Schools Span the Country

For detailed information about member schools, visit privatecollege529.com.

Participating Schools Include

Science & Engineering
Research Universities
Historically Black Schools
Liberal Arts
Religiously Affiliated
Women’s Colleges

My business does pretty well, and I’ll likely be able to pay for college tuition without stretching the family budget too far. But one of the reasons I’m in this financial position is that I can recognize a good deal when I see it. If one of my suppliers told me that I could pay today’s prices and take delivery in 10 years, regardless of what they were charging then, I’d jump at that chance. I know prices could fall, but they’ll probably go up.

Besides, now that I have kids and am getting a little older, I’m not just thinking about how I’ll pay for college. I’m thinking about my retirement, and what kind of financial legacy I’ll leave. Not paying any more for private college than I have to, and having the ability to prepay as much as I want each time I contribute, will only increase my planning options.
Easy to Open and Manage

You can open your account with a minimum of $25, or as large an initial contribution as you choose. Additional contributions of $25 or more can be made at any time or you can set up a purchase plan to contribute a fixed amount at regular intervals. Just keep in mind that you must contribute at least $500 within two years of opening your account. Additionally, tuition rates at member schools change on July 1 each year, so the earlier you start, the more you may save on tuition.

Track your progress through your five “sample” schools

When you enroll in the Plan, you’ll have the opportunity to select up to five “sample” schools to monitor. Your quarterly statement will display the value of your tuition at each of your sample schools so that you can see exactly what percentage of tuition you have purchased at each one. For example, your certificate may be worth 0.25 years of college at one institution, but 0.45 years at another.

Choosing sample schools neither guarantees admission for your beneficiary nor locks you into any decision about which school your child will attend. In fact, you can change your sample schools as often as you like. You may track your progress and edit your list of schools at any time at privatecollege529.com.

6. If you have paid less than $500 after two years, your account will be closed. Please see the Disclosure Statement for details.
It seems like she’s wanted to know how everything works since the day she was born. She learned to take apart her bicycle before she learned how to ride it. She reconfigured our home computer network when she was seven. We know engineering will be in her future, so we’re taking advantage of Private College 529 Plan.

The Plan offers us the opportunity to lock in tuition today that will help pay for her education at some of the top engineering and technology schools in the country. This is true whether she chooses to attend the University of Rochester, the University of Chicago, MIT or any other school in the Plan network. And because the Plan is so easy to understand, she doesn’t have to explain yet another thing to us!
Frequently Asked Questions

**Q:** Do I need to choose a school when I open an account?

No. Tuition certificates may be used at any participating school at which your child is accepted and enrolls.

**Q:** What if my child enrolls at a school that is no longer a member when I am ready to redeem my tuition certificates?

If the school was a member school when you purchased the certificates, those certificates will be honored at that school. The guarantee for certificates is in place for 30 years after purchase, regardless of whether the school is still a member college at the time of redemption.

**Q:** What if my child enrolls at a school that became a member school after I purchased my certificates?

Your tuition certificates will be honored at that school. The guarantee for certificates is in place for 30 years after purchase, regardless of whether the school was a member college at the time of purchase.

**Q:** What happens if my child gets a scholarship?

If the beneficiary of your account receives a partial scholarship, you can still use your certificates to cover the remaining tuition costs.

If the beneficiary receives a scholarship that covers all or part of the cost of qualified expenses, you can withdraw an amount up to the value of the scholarship without penalty. Earnings that are refunded due to a scholarship are taxable income but are not subject to the 10% additional federal tax on earnings. You can also change the beneficiary to another “member of the family,” within the federal 529 rules—even yourself—if an undergraduate degree is still in your future.

**Q:** What is the impact of the Plan on my child’s eligibility for financial aid?

If the parent is the account owner, Private College 529 Plan accounts are treated as assets of the parent, which has a smaller impact on federal financial aid than if the assets were those of the child. The federal financial aid formula considers no more than 5.6% of parents’ assets and 20% of a child’s assets available to pay for college.

Individual institutions may consider parents’ assets in a different way when deciding how to distribute financial aid. Be sure to consult the college or university financial aid office and your tax advisor about your particular situation.

**Q:** Are there any fees associated with the Plan?

No. There are no entry fees, annual fees, service fees or exit fees—no costs to you beyond the tuition certificate purchase price.

**Q:** Must you be the parent of a beneficiary to open an account or contribute to an existing Private College 529 Plan account?

Absolutely not. Friends, godparents, grandparents—anyone can open an account or make a gift to an existing Private College 529 Plan. Not only is gifting to a Private College 529 Plan account a way to make private school tuition accessible for a child, but doing so also yields great estate and tax benefits to the person making the gift.

The maximum annual gift tax exclusion for 2011 is $13,000 (or $26,000 for married people filing jointly), and the five-year gift tax exclusion is $65,000 (or $130,000 for married people filing jointly). By moving a large gift into a tax-advantaged account as soon as possible, the giver can exclude that amount from their taxable estate.

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8. If the account owner dies before the end of the five-year period, a prorated portion of the contribution allocable to the remaining years in the five-year period, beginning with the year after the contributor’s death, will be included within his or her estate for federal tax purposes.
Q: Do I really not have to worry about investment performance or tuition inflation?

You do not have to worry about investment performance or tuition inflation. With Private College 529 Plan, your tuition benefit is guaranteed by the member schools. As long as certificates are held for at least 36 months, the amount of tuition you purchase will be honored by participating schools for up to 30 years—guaranteed.

Q: What is the smallest amount I can contribute?

Contributions can be as little as $25 whether you make your purchases using a regular payment plan, or by contributing whenever you can. However, you must contribute at least $500 within two years.

Q: What is the total amount I can contribute?

The maximum allowed account value is based on tuition and fees for five years at the most expensive college or university in our network. Visit privatecollege529.com for current tuition rates at participating schools.

Q: What can Private College 529 Plan certificates be used for?

Currently, Private College 529 Plan certificates can be used for undergraduate tuition and mandatory fees. In general, mandatory fees are those fees required to be paid by all students attending the particular college as a condition of enrollment.

Q: What if I have only saved part of the tuition required? What if I have saved more than is needed? What are my options?

If you have not purchased the full amount of tuition and mandatory fees by the time your child is ready to enroll in a participating school, you should consider your financial aid and scholarship options to help you fund the rest. The Financial Aid Planner calculator available on privatecollege529.com can help you estimate your Expected Family Contribution (EFC), which represents the amount colleges may expect you and your child to pay for a year of college. This estimate is usually seen as the starting point for financial aid decisions at any college that offers Federal financial aid.

If the value of your certificate(s) is more than the full amount of tuition and mandatory fees, you will have options:

- Change the beneficiary to a qualified family member
- Roll the account over into a state-sponsored 529 plan
- Request a refund

For additional questions and more detailed answers, visit privatecollege529.com.

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9. When you request a refund, the amount refunded is adjusted based on the net performance of the Program Trust, up to a maximum increase of 2% per year and a maximum decrease of –2% per year.
10. If you have paid less than $500 after two years, your account will be closed. Please see the Disclosure Statement for details.
11. See the Disclosure Statement for details. There may be tax consequences and fees associated with this option.
Enroll Today

It’s easy to start down the path of prepaying your child’s private college tuition.

Simply visit privatecollege529.com to enroll online in less than 15 minutes. All you need is your and the beneficiary’s Social Security numbers and your bank account information if you intend to set up a regular contribution plan. The site also provides further information and answers to questions you may have.

If you need further assistance, or would like to speak to a knowledgeable customer service representative, call us at 1.888.718.7878.

You can also print an Enrollment Form from the website and mail it back to us at

Private College 529 Plan
P.O. Box 5268
Denver, CO 80217

**FACT:**

Whether you have a large or modest sum available, starting to prepay college tuition today, and continuing to do so on a regular basis, can deliver significant savings on the future cost of tuition.

Attending private college has made an enormous difference in our lives, one we feel every day. In fact, we met at school. We still go back to visit whenever we can, are active members in our alumni association and, yes, we harbor a not-so-secret hope our son will follow in our footsteps. But whether or not he decides to attend our alma mater, we knew early on that we wanted to ensure that the cost of tuition did not deny him the opportunity to get the same quality private college education we had. That’s why Private College 529 Plan is an important part of our plan to pay for college, along with the grants and scholarship information we’re currently sorting through. His job is to keep his grades up and gain admission. Our job is to keep the option available financially.
If you want the benefit of a private college education for your child, but are concerned about the rising cost of tuition, **Private College 529 Plan may be the answer.** The Plan offers a guaranteed way to pay less for tuition by paying today and provides your child access to a large—and growing—national network of schools.

It’s easy to open and manage a Private College 529 Plan account.

**Enroll today at privatecollege529.com**