



TEXAS TUITION  
PROMISE FUND®

A Prepaid Plan as Smart as You Are

# Student Handbook | 2024

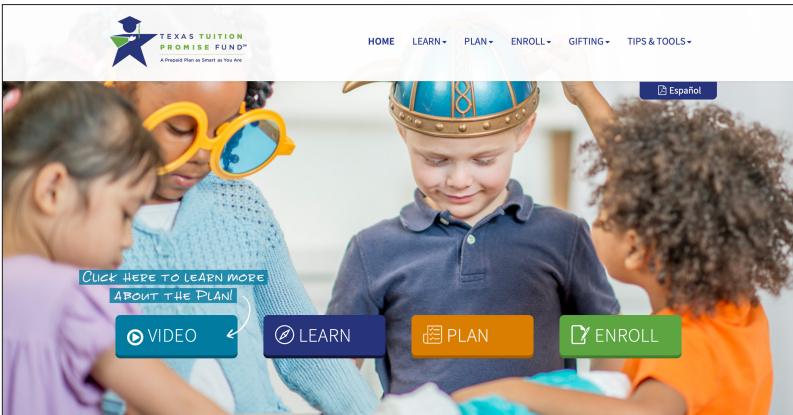




## CONGRATULATIONS!

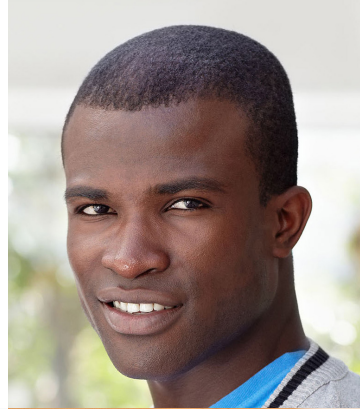
Our records indicate that you are projected to graduate from high school this year. Congratulations! For some time now you have probably been thinking about college. College is a wonderful next stage in life, but it can be expensive. Because you are a Beneficiary of a Texas Tuition Promise Fund® contract, the state of Texas' prepaid tuition plan, some or all of your undergraduate resident college tuition and schoolwide required fees have been taken care of in advance.

This handbook will help you better understand the Texas Tuition Promise Fund (the "Plan"). To get the maximum benefit from your prepaid tuition contract, we recommend that you read the handbook carefully and keep it handy. If you have any other questions, please call us at **800-445-GRAD (4723), option 5**, or submit an inquiry via email by visiting [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com) and clicking on [Contact](#). Texas Tuition Promise Fund forms and other Plan information are available on our website at [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com). **See page 16 of this handbook for information on establishing online access to view account information and for information the Purchaser needs to authorize use of Plan benefits each semester.**



**Again, congratulations on reaching this milestone in your life. We wish you much success in your future plans!**





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*This material is provided for general and educational purposes only, and is not intended to provide legal, tax or investment advice. Contact your attorney or other advisor regarding your specific legal, investment or tax situation.*



A stack of several books with dark blue covers. The top book is open, and a red bookmark is visible in the center. The background is a soft, out-of-focus blue.

**HELP  
IS JUST A  
PHONE CALL  
AWAY.  
IF YOU HAVE  
ANY QUESTIONS,  
PLEASE CALL  
CUSTOMER  
SERVICE  
AT  
800-445-4723,  
OPTION 5.**



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## WHAT IS THE TEXAS TUITION PROMISE FUND®?

The Texas Tuition Promise Fund® (the “Plan”) is a prepaid tuition plan that allows a person to purchase one or more Tuition Units that may be applied to the payment of the Beneficiary’s undergraduate resident tuition and schoolwide required fees at an eligible educational institution. The Texas Prepaid Higher Education Tuition Board administers the Plan. Orion Advisor Solutions, Inc. is responsible for the day-to-day operation and marketing of the Plan and is referred to herein as the Plan Manager.

When the Beneficiary — that’s you — is ready for college, the Plan covers all or a portion of undergraduate resident tuition and schoolwide required fees at Texas public colleges and universities, excluding medical and dental schools.

Tuition Units of any type can be used at any Texas public college or university. The number of units required will be determined by the type of Tuition Units being redeemed, the cost of the college or university you attend and the number of hours you are enrolled.

Tuition Units can be converted to the Transfer Value for use at Texas medical and dental schools, Texas private colleges and universities, out-of-state colleges and universities, and career schools (see page 20). Transfer Value is limited to the lesser of (1) the costs 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.

Please note that although this handbook refers to the account as “your” account, the Purchaser is the legal owner of the account. The handbook uses the terms “account,” “contract” and “tuition units” interchangeably. The terms “schoolwide required fees” and “required fees” may also be used interchangeably. The terms “unit” and “Tuition Unit” are used interchangeably throughout the handbook.

The terms “Texas public college or university” and “Texas public two- or four-year college or university” do not include medical or dental units. Texas Education Code Sec. 61.003 contains a full listing of schools included in those definitions, and definitions of the terms “public senior college or university” and “medical and dental units.” Each of the colleges and universities under Texas Education Code, Sec. 61.003(3) are referred to as a “Texas public college or university” or “Texas public four-year college or university” throughout this booklet. The terms “medical and dental units” and “medical and dental schools” are used interchangeably throughout this handbook.

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## WHAT IS A TUITION UNIT?

**T**uition Units represent a fixed amount of undergraduate resident tuition and schoolwide required fees charged by Texas public colleges and universities, excluding medical and dental schools. The number of units needed to cover tuition and schoolwide required fees varies widely depending on the type of units purchased, the number of credit hours enrolled and the school attended. Generally, 100 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 basis for the unit type.

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## THREE TUITION UNIT TYPES

**T**he Plan offers three types of Tuition Units (“Tuition Unit Types”), and each Tuition Unit Type is assigned a different value.

- Type I Tuition Units are indexed to the cost of undergraduate resident tuition and schoolwide required fees at the most expensive Texas public four-year college or university, excluding medical and dental schools. The value assigned to one Type I Tuition Unit is equal to 1 percent of the cost of one academic year of undergraduate resident tuition and schoolwide required fees at the most expensive Texas public four-year college or university. Therefore, 100 Type I Tuition Units would cover 30 semester credit hours of undergraduate resident tuition and schoolwide required fees at the most expensive Texas public four-year college or university, excluding medical and dental schools. Redemption at less expensive Texas public colleges and universities would require fewer than 100 Tuition Units for 30 semester credit hours.
- Type II Tuition Units are indexed to the weighted average cost of undergraduate resident tuition and schoolwide required fees of all Texas public four-year colleges and universities, excluding medical and dental schools. The value assigned to one Type II Tuition Unit is equal to 1 percent of the weighted average cost of undergraduate resident tuition and schoolwide required fees at all Texas public four-year colleges and universities or one academic year, or 30 semester credit hours at Texas public four-year colleges or universities, excluding medical or dental schools. A particular school’s tuition and schoolwide required fees may be more or less than the weighted average, however, so for some schools, 100 Type II Tuition Units will be more than enough to cover tuition and schoolwide required fees for 30 semester credit hours, and in some cases, 100 Type II Tuition Units will not fully cover those costs.



- Type III Tuition Units are indexed to the weighted average cost of in-district tuition and schoolwide required fees of all Texas public two-year colleges. The value assigned to one Type III Tuition Unit is equal to 1 percent of the weighted average cost of in-district tuition and schoolwide required fees at all Texas public two-year junior and community colleges. Therefore, 100 Type III Tuition Units would cover the average in-district cost of tuition for one academic year and schoolwide required fees for 30 semester credit hours at a Texas two-year junior or community college. As with Type II Units, a particular school's in-district tuition and schoolwide required fees may be more or less than the average.

### TUITION UNIT REDEMPTION VALUES

Tuition Units of any type can be used at any Texas public two- or four-year college or university. But because each type has a different value, the number of Tuition Units required at a particular school will be different depending on the Tuition Unit Type used.

Tuition Unit redemption values are set annually on September 1 of each year and apply for the next 12 months. The values for the 2023-2024 academic year were:

**Type I = \$164.12      Type II = \$114.60      Type III = \$30.71**

The values for the 2024-2025 academic year are estimated to be available in August 2024 at [TexasTuitionPromiseFund.com](https://www.texas-tuition-promise-fund.com) in the [Academic Year Tuition Unit Pricing Schedule and Unit Value Redemption Guide](#) under "Documents".

### TUITION AND SCHOOLWIDE REQUIRED FEES

Tuition Units can only be used to pay for undergraduate resident tuition and schoolwide required fees.

Schoolwide required fees are only those fees paid by all students at a college or university as a condition of enrollment, regardless of year, major or course of study. **The Plan can pay only schoolwide required fees as only those fees were included in the sales prices of the tuition units.** Depending on the school you attend, you may be required to pay fees that are not schoolwide required fees and are not covered by the Plan. Examples of fees not covered by the Plan include course-related fees, such as lab fees; fees related to your major or year of study, such as freshman orientation or freshman advisor fees; optional fees; or deposits. Although your school might use the label "required fee," a fee must meet the Plan's definition of schoolwide required fee to be covered by the Plan.

Tuition Units may not be used to pay for other college expenses, such as room and board, living expenses, books, course-specific fees, fees that are not schoolwide, graduate school tuition or optional fees.

### **PUBLIC JUNIOR OR COMMUNITY COLLEGE — OUT-OF-DISTRICT TUITION**

If you redeem Tuition Units at a public junior or community college, and you do not reside within the taxing jurisdiction of the college, you or your Purchaser will be responsible for paying the additional tuition and fees charged by the college to persons who do not reside within that taxing jurisdiction. You or the Purchaser can pay the additional amount by either redeeming more Tuition Units or by other funding methods.

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## **WHEN ARE MY TUITION UNITS AVAILABLE FOR REDEMPTION?**

In order to redeem Tuition Units, your account must meet the following requirements:

- Tuition Units must be paid in full
- Tuition Units must have met the three-year holding period
- Your account must have valid social security numbers for the Purchaser and Beneficiary
- Your account cannot have reached the 10-year termination deadline
- Your account cannot have outstanding fees or charges

### **Installment contracts must be paid in full prior to redemption of any Tuition Units purchased under that payment option.**

There is a three-year holding period before Tuition Units can be redeemed. You may not use a Tuition Unit earlier than the third anniversary of the date the Tuition Unit was purchased. The purchase date is determined by the first payment due date for Tuition Units purchased under a Lump Sum, Installment or Pay-As-You-Go contract. The first payment due date is May 1st after the end of the general enrollment period; however, payment due dates for contracts established during the newborn enrollment period will vary. For subsequent Pay-As-You-Go purchases, the purchase date is the payment receipt date.

You have up to 10 years after your projected date of high school graduation to use all Tuition Units under the Plan, otherwise your contract will automatically be canceled and any remaining Tuition Units will be refunded. Any years you spend on active duty in U.S. military service extend the 10-year limit during which benefits can be used if you provide proof of that service to the Plan prior to the automatic 10-year termination deadline.

## HOW MANY TUITION UNITS WILL I NEED TO REDEEM TO PAY MY TUITION AND SCHOOLWIDE REQUIRED FEES?

The number of Tuition Units you will need to pay your tuition and schoolwide required fees will depend on 1) the type of units purchased, 2) the cost of the school attended, and 3) the number of credit hours enrolled. The 2024-2025 academic year costs, as well as the redemption value for each Tuition Unit Type, is estimated to be available in August 2024 at [TexasTuitionPromiseFund.com](https://www.texas-tuition-promise-fund.com) in the [Academic Year Tuition Unit Pricing Schedule and Unit Value Redemption Guide](#) (“Guide”). The Guide will include a schedule showing the cost of tuition and schoolwide required fees at each Texas public college or university and how many units of each type will be required to cover those costs for 30 semester credit hours in the 2024-2025 academic year. A sample of the information included in the guide, based on 2023-2024 numbers, is shown below:

4-YEAR OR 2-YEAR TEXAS PUBLIC COLLEGE OR UNIVERSITY	TUITION AND SCHOOLWIDE REQUIRED FEES 2023-2024 ACADEMIC YEAR	# OF UNITS REQUIRED*		
		TYPE I	TYPE II	TYPE III
University of Texas at Dallas-Fixed	\$16,412.00	100.00	143.21	534.42
University of Texas Austin-McCombs School of Business-Fixed	\$15,756.00	96.00	137.49	513.06
Texas A&M College Station-College of Engineering-Fixed	\$14,409.70	87.80	125.74	469.22
Texas Tech University-Rawl's College of Business Administration-Traditional	\$13,657.00	83.21	119.17	444.71
Texas State University-Fixed	\$12,777.40	77.85	111.50	416.07
University of Texas at Arlington-College of Nursing-Traditional	\$12,154.00	74.06	106.06	395.77
Tarleton State University-School of Engineering Fort Worth Campus	\$11,469.50	69.88	100.08	373.48
Blinn College Brenham Campus-In-District	\$4,530.00	27.60	39.53	147.51
Lone Star College System-In-District	\$3,090.00	18.83	26.96	100.62

\*Number of Tuition Units required for 30 semester credit hour academic year.

If you were to do these calculations on your own, you would simply divide the amount of tuition and schoolwide required fees for your school by the redemption value for the Tuition Unit Type you have. For example, suppose your undergraduate resident tuition and schoolwide required fees will be \$5,000, you have Type I Tuition Units and, for the year you are redeeming the units, the redemption value for Type I Units is \$164.12 per unit. \$5,000 divided by \$164.12 equals 30.47, so you will need 30.47 Type I Tuition Units. If your contract has less than 30.47 units available, the Purchaser can redeem the available units and the balance can be paid out-of-pocket. To better understand how this works, we have included some examples below for a hypothetical “Student.”

**Please note that the examples use 2023-2024 academic year undergraduate resident tuition and schoolwide required fee costs and Tuition Unit redemption values. When doing your calculations, be sure to use undergraduate resident tuition and schoolwide required fee costs and redemption values for the 2024-2025 academic year, which we estimate will be published in August 2024.**

**2023 EXAMPLE – TYPE I TUITION UNITS:**

It is August 2023 and Student is starting college at the University of Texas at Dallas. Student is planning to take 15 hours per semester for his freshman year. Student has 400 Type I Tuition Units. The cost is \$16,412.00 per academic year (\$8,206 per Semester).

Student checks the Academic Year Tuition Unit Pricing Schedule and Unit Value Redemption Guide (Guide) and sees on page 1 that Type I Tuition Units have a redemption value of \$164.12 per unit.

Student checks “Unit Redemption Values for 4-Year Schools” in the Guide and finds the University of Texas at Dallas – Fixed. Under the “Type I” column, Student sees that he will need 100 Type I Tuition Units (50 per semester) to cover his freshman year tuition and schoolwide required fees at that school. Student will have 300 Type I Tuition Units left over for future years.

In order to get a complete picture of costs, Student checks with the University of Texas at Dallas – Fixed to see what fees Student will have to pay that are not covered by Tuition Units.



**2023 EXAMPLE – TYPE II TUITION UNITS:**

What if Student's Tuition Units were Type II instead of Type I? (Type II units have a redemption value of \$114.60;  $\$16,412.00 \div \$114.60 = 143.21$  units.)

For the University of Texas at Dallas – Fixed:

Student would need 143.21 Type II Tuition Units (71.61 in the Fall and 71.61 in the Spring).

Student would have 256.79 Type II Tuition Units left over for future years.

**2023 EXAMPLE – USING LESS TUITION UNITS THAN REQUIRED:**

What if Student does not have enough Tuition Units to completely cover all four years of college and only wants to redeem Tuition Units to cover part of Student's freshman year? If Purchaser only redeems 100 Type II Tuition Units, how much will that cover?

Student sees on page 1 of the Guide that Type II Tuition Units have a redemption value of \$114.60 per unit.

For the University of Texas at Dallas – Fixed, the Guide shows that tuition and schoolwide required fees for 30 hours is \$16,412.00 (\$8,206.00 per semester). If Student uses 100 Type II Tuition Units (50 per semester), which have a redemption value of \$114.60 per unit, the Tuition Units will cover \$11,460.00 (\$5,730.00 per semester).

The difference between the University of Texas at Dallas – Fixed tuition and schoolwide required fees of \$16,412.00 and the redemption value of Student's 100 Type II Tuition Units of \$11,460.00 is \$4,952.00 (\$2,476.00 per semester).

Student will have to pay the remaining \$4,952.00 from another source, but the contract will have 300 Type II Tuition Units left over for future years.

**2023 EXAMPLE – TYPE III TUITION UNITS AND IN-DISTRICT STUDENT:**

Student has 200 Type III Tuition Units and wants to attend Blinn College at the Brenham campus. Student lives in Washington County, which means Student lives in the taxing jurisdiction for Blinn College.

Student sees on page 1 of the Guide that Type III Tuition Units have a redemption value of \$30.71 per unit. In-District Tuition for 30 hours at Blinn College's Brenham campus is \$4,530.00 (\$2,265.00 per semester).

$$\$4,530.00 / \$30.71 = 147.51 \text{ Tuition Units}$$

If Student takes 30 hours (15 per semester), Student will need 147.51 Type III Tuition Units (73.76 for Fall and 73.75 for Spring) to pay for tuition and schoolwide required fees. Student will have 52.49 Type III Tuition Units remaining for future years.

## REDEMPTION OF TUITION UNITS

Each year, Texas public two- and four-year colleges and universities (e.g., The University of Texas at Austin, Texas A&M, Texas Tech, Austin Community College) are required to provide tuition and schoolwide required fee grids to the Plan reflecting costs by school (Engineering, Business, etc.) by number of hours enrolled (1 through the maximum number of hours offered by the school). These grids are the basis for determining how many Tuition Units you will need to redeem to pay your tuition and schoolwide required fees. The assigned value of your Tuition Unit Type (equal to the sales price for that type of unit in the year of redemption) is divided into the cost of tuition and schoolwide required fees at the school that you will be attending for the number of hours that you are enrolled to determine how many of your Tuition Units will have to be redeemed to pay those costs.

Texas public colleges and universities must accept the Tuition Units as payment in full for tuition and schoolwide required fees for the number of hours covered by the Plan. If you redeem Tuition Units at a Texas public junior or community college, and you do not reside within the taxing jurisdiction of the college, the Purchaser must either redeem additional units to cover the difference or you or your Purchaser will be responsible for paying the additional tuition and schoolwide required fees charged by the school to persons who do not reside within that taxing jurisdiction. See page 10 for more information if you are attending a Texas public junior or community college and do not reside within the taxing jurisdiction of the college.

**In order to avoid cancellation of classes, any costs not covered by the Plan must be paid by you or the Purchaser by the deadline set by the college or university to avoid being dropped from classes.**

## HOW MUCH UNDERGRADUATE RESIDENT TUITION AND SCHOOLWIDE REQUIRED FEES WOULD BE COVERED AT A TEXAS PUBLIC COLLEGE OR UNIVERSITY BY 100 TUITION UNITS?

(Assuming 30 semester credit hours\*)

TYPE OF COLLEGE	TYPE I TUITION UNITS	TYPE II TUITION UNITS	TYPE III TUITION UNITS
Most expensive Texas public college	<b>All tuition and schoolwide required fees.</b>	<b>Some.</b> You make up the difference.	<b>Some.</b> You make up the difference.
Texas public college less expensive than the most expensive Texas public college	<b>All tuition and schoolwide required fees.</b> Fewer units would need to be redeemed than if the Beneficiary attended the most expensive Texas public school.	<b>Depends on the school selected.</b> If the school is above the weighted average cost, you make up the difference. If the school is below the weighted average cost, fewer units would need to be redeemed.	<b>Some.</b> You make up the difference.
Texas public college above weighted average cost	<b>All tuition and schoolwide required fees.</b>	<b>Some.</b> You make up the difference.	<b>Some.</b> You make up the difference.
Texas 4-year public college at weighted average cost	<b>All tuition and schoolwide required fees.</b>	<b>All tuition and schoolwide required fees.</b>	<b>Some.</b> You make up the difference.
Texas 4-year public college below weighted average cost	<b>All tuition and schoolwide required fees.</b>	<b>All tuition and schoolwide required fees.</b>	<b>Some.</b> You make up the difference.
Texas 2-year public college at weighted average cost	<b>All tuition and schoolwide required fees.</b>	<b>All tuition and schoolwide required fees.</b>	<b>All tuition and schoolwide required fees.</b> If you are a non-resident of the taxing jurisdiction and the college charges a higher fee to non-residents, you make up the difference in cost.
Texas 2-year public college below weighted average cost	<b>All tuition and schoolwide required fees.</b>	<b>All tuition and schoolwide required fees.</b>	<b>All tuition and schoolwide required fees.</b> If you are a non-resident of the taxing jurisdiction and the college charges a higher fee to non-residents, you make up the difference in cost.

\* Tuition Units may be used to pay for undergraduate resident tuition and schoolwide required fees only. Schoolwide required fees are only those fees imposed on **all students** as a condition of enrollment. Please note that depending

on the school you attend, you may be required to pay fees that are not schoolwide required fees and are not covered by the Plan. Examples of fees that are not covered include course-related fees, such as lab fees; fees related to your major or year of study, such as freshman orientation or freshman advisor fees; optional fees; graduate fees; or deposits. Although your school might use the label “required fee,” a fee must meet the Plan’s definition of required fee to be covered by the Plan. Tuition Units may not be used to pay for other college expenses, such as room and board, living expenses or books. Tuition Units may not be used to pay for graduate school.

Please visit [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com) to view the most recent Tuition Unit redemption values included at the back of the [Academic Year Tuition Unit Pricing Schedule and Unit Value Redemption Guide](#) located under “Documents”.

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## HOW DO I ESTABLISH ONLINE ACCOUNT ACCESS?

The Purchaser can establish account access using their account number and social security number following these simple steps:

Go to our website at [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com). Login and click on “Register”.

Follow the instructions to:

- Step **1.** Enter an email and create a password
- Step **2.** Select Security Questions
- Step **3.** Determine Delivery Preference
- Step **4.** Enter Purchaser SSN and Beneficiary’s Account Number
- Step **5.** Click “Continue” to Link Account(s)

**Note: The account number can be found on the confirmation that the Purchaser received when the account was established, on the Purchaser’s annual statement or by calling us at 800-445-4723, option 5.**

The Beneficiary can also establish access to view account information in their senior year in high school.

Once the Purchaser or Beneficiary has established online account access, they can log into the account at any time (with the exception of downtimes related to outages or routine maintenance) to view information about the number and types of Tuition Units purchased, any amounts due and the number and types of units that have met the three-year holding period and are available for redemption.

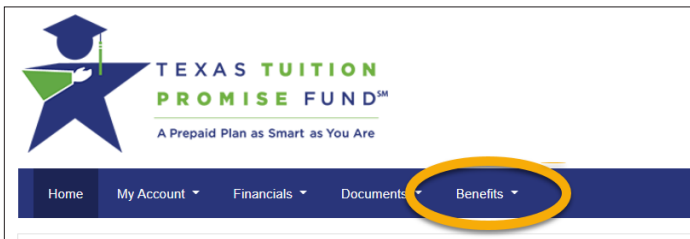


## HOW DOES THE PURCHASER AUTHORIZE PAYMENT TO A TEXAS PUBLIC COLLEGE OR UNIVERSITY?

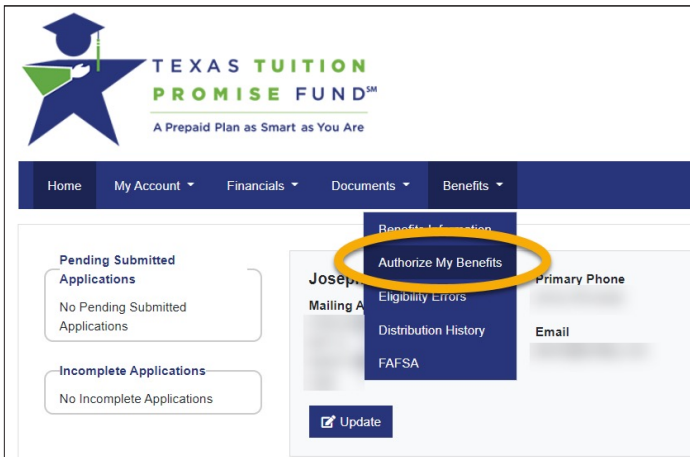
### ONLY THE PURCHASER CAN AUTHORIZE PAYMENT (REDEMPTION OF TUITION UNITS).

**W**hen you are ready to attend a Texas public college or university, the Purchaser must authorize payment each semester by any of the following:

- Complete the Benefits Authorization online if account access has been established; or
  - Complete, print, sign and submit the [Benefits Authorization Form](#) found at [TexasTuitionPromiseFund.com](https://www.texas-tuition-promise-fund.com) under "Documents"; or
  - Contact customer service at **800-445-4723, option 5**, to request a copy of the [Benefits Authorization Form](#).
1. To authorize payment online, the Purchaser must first establish account access and then can access the account at [TexasTuitionPromiseFund.com](https://www.texas-tuition-promise-fund.com) on the [Login](#) page. Once the Purchaser has logged into their account, they should select the Benefits tab.



2. From the Benefits options, click on the Authorize My Benefits link.



3. The Purchaser should select which account they wish to Authorize My Benefits for and complete the following steps to authorize use of benefits at the Texas public college or university the Beneficiary is attending, including identification of the school, the term (for instance Fall, Spring, Summer I or Summer II), the year (for instance 2024) and the student identification number provided on the billing from the school.

### Benefits Authorization

You have selected a Texas public college or university which will require you to complete our Benefits Authorization process.

Provide the information below for the academic term for which you are authorizing benefits. If you opt to limit the authorized Tuition Units by utilizing the Specified Units (optional) field, please note that Tuition Units are not necessarily equivalent to semester hours (i.e. 12 Tuition Units may not cover the cost of 12 semester hours).

<b>Term*</b>	<b>Year*</b>
<input type="text"/>	<input type="text"/>
<b>Student ID*</b>	<b>Specified Units (optional)</b>
<input type="text"/>	<input type="text"/>

**Specified Units (optional)** Use this field to limit the number of Tuition Units to be redeemed for the Term and Year. If you do not wish to specify a limit, **leave this field blank** and the plan will use the number of mature units necessary to cover the tuition and schoolwide required fee costs billed by the school or program for the academic term you have authorized.

If you have more mature units than are required to cover tuition and schoolwide required fees for the term and year designated, the plan will only use up to the number of mature units needed and the unused units will remain in your account. If you have fewer mature units than are needed, it is the responsibility of either the purchaser or the beneficiary to pay tuition and schoolwide required fees not covered by the plan in order to avoid late fees or cancellation of classes.

[Back](#) [Next](#)

Enter all the following:

- State
- School/Program
- Term and Year
- Student ID
- Specify Number of Units to Be Redeemed (optional)

4. Confirm the information entered.

### Authorization Verification

#### Account Information

Beneficiary Name	Account Number
Beneficiary Email	

#### Institution

Designated Institution

Institution Address

#### Benefits Authorization

Term	Year
Student ID	Specified Units (optional)

I am authorizing billing by and payment of TTPF benefits to the above institution for the specified academic term, based on the availability of units and in accordance with the terms of the TTPF Plan Description & Master Agreement.

[Back](#) [Submit](#)

**Please note that if you were awarded a matching scholarship or tuition grant by the Texas Match the Promise Foundation<sup>SM</sup>, you should follow the instructions on page 31 for information on requesting approval to use the scholarship Tuition Units.**

**The Purchaser MUST authorize payment each semester.** Authorizations should be completed at least 30 days prior to the start of classes to ensure timely payment. You should notify the college or university you are attending that you will be using the Texas Tuition Promise Fund as payment for all or some of your tuition and schoolwide required fees. You should pay any amounts that will not be covered by the Texas Tuition Promise Fund prior to the payment deadline in order to avoid late fees assessed by the college or cancellation of your classes.

The Purchaser has the option of using all Tuition Units that are available at the time of Benefits Authorization for redemption up to the amount necessary to pay your tuition and schoolwide required fees for that semester or the Purchaser can designate a specific number of the available Tuition Units to redeem that semester by entering a lesser amount in the Specified Units (optional) field on the Benefits Authorization screen. Even if the Purchaser authorizes all available units, only the number of units required for the hours enrolled will be used and the unused units would remain in the account, available for future redemption.

Once the Purchaser has completed the Benefits Authorization process, the information is made available electronically to the school.

The Purchaser may redeem units online through their account access or by submitting the [Benefits Authorization Form](#) available at [TexasTuitionPromiseFund.com](https://www.TexasTuitionPromiseFund.com) under "Documents".

The school will bill the Plan after the school's add/drop period. The Plan will issue payment directly to the school. The Plan will pay the school within 30 days of receiving a correct billing. Any refunds from the college or university of amounts paid by the Plan may be recontributed to your account by the Purchaser within 60 days of the date of the refund check without being subject to taxes and the additional 10 percent federal tax (for example, if the Beneficiary withdraws from the school and the school refunds a portion of the tuition and schoolwide required fees paid by the Plan directly to the Purchaser or Beneficiary, that amount may be recontributed to the account).

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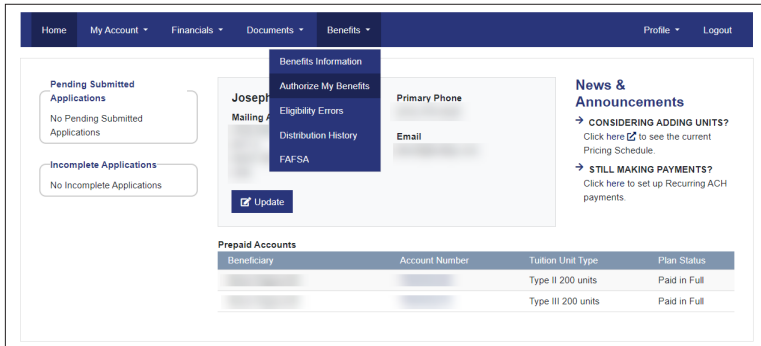
## **WHAT IF I GO TO A MEDICAL OR DENTAL SCHOOL, TEXAS PRIVATE COLLEGE OR UNIVERSITY, OUT-OF-STATE COLLEGE OR UNIVERSITY, CAREER SCHOOL, OR USE THE PLAN FOR A REGISTERED APPRENTICESHIP PROGRAM OR K-12 TUITION?**

If you attend a medical or dental school, Texas private college or university, out-of-state college or university, career school, or use the Plan for a registered apprenticeship program, you can apply the Transfer Value of your Tuition Units towards the cost of tuition and schoolwide required fees up to the amount of undergraduate resident tuition and schoolwide required fees billed by those schools or programs. Transfer Value can also be used to pay for K-12 tuition up to \$10,000 per year per beneficiary. Transfer Value is limited to the lesser of (1) the costs 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. Transfer Value does not include any state-provided or procured matching contributions or any earnings on state-provided or procured matching contributions, if applicable. Any outstanding fees imposed by the Plan will be subtracted from the total transferred amount.



**Payment of the Transfer Value must be paid by the Plan directly to the medical or dental school, Texas private college or university, out-of-state college or university, career school, registered apprenticeship program or K-12 school.**

1. To authorize the payment of the Transfer Value of your Tuition Units towards a medical or dental school, Texas private college or university, out-of-state college or university, career school, registered apprenticeship program or K-12 school, the Purchaser would sign into the account online at [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com) on the [Login](#) page. Once logged into the account, the Purchaser would select the “Benefits” tab.
2. From the Benefits tab, the Purchaser would click the “Authorize My Benefits” option.



3. The Purchaser would select which account to transfer benefits for and complete the following steps to authorize the Transfer Value to be paid.

### Designate a School or Program

Select the school or program to which benefits/transfer value are to be paid

Last School or Program

Use a different school or program this academic term

If you do not see your school or program below, contact us at 1.800.445.GRAD (4723), option #5, Monday through Friday from 8am to 6pm Central Time.

State\*

Alaska

Designated School or Program\*

My school is not listed?

If the student is a returning student, the last school or program the Purchaser authorized units for will automatically be selected via default. If the student is attending a school or program for the first time this term, the Purchaser would select “Use a different school or Program this academic term” and enter the following:

- State
- School/Program
- Term and Year
- Student ID
- Tuition Charged
- Schoolwide Required Fees
- Adjustments/Credits
- Specified Units (optional)

### Transfer Value Authorization

You have selected either a Texas private college or university, out-of-state college or university, career school, medical or dental institution or apprenticeship program which will require you to complete our Transfer Value Authorization process. Provide the information below for the term and year for which you are authorizing payment of Transfer Value.

<b>Term*</b> <input type="text" value="Select"/>	<b>Year*</b> <input type="text" value="Select One"/>	<b>Student ID*</b> <input type="text"/>
<b>Tuition Charged ⓘ</b> <input type="text" value="\$ 0.00"/>	<b>Schoolwide Required Fees ⓘ</b> <input type="text" value="\$ 0.00"/>	<b>Adjustments/Credits ⓘ</b> <input type="text" value="\$ 0.00"/>

**Use as many Tuition Units as needed up to the total amount of mature Tuition Units available on my account**  
Select this option to authorize payment to cover the total amount of undergraduate tuition and schoolwide required fees billed by the school or apprenticeship program, up to all of the mature Tuition Units available on your account.

**Use up to the Tuition Units specified not to exceed the total number of mature Tuition Units on my account**  
Use up to the number of specified Tuition Units shown below, not to exceed the total tuition and schoolwide required fees billed by the school or apprenticeship program.

<b>Specified Units</b> <input type="text"/>	<input type="button" value="Calculate"/>	<b>Estimated Amount of Transfer Value*</b> <input type="text" value="\$"/>
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To determine the current estimated Transfer Value of Tuition Units, the Purchaser would enter a Specified Units total and click “Calculate.” The Estimated Amount provided is based on the current Transfer Value for your contract, which is subject to change. Net investment earnings or losses continue to accrue until the day the Plan Manager processes payment.

In no instance can the Plan pay more than the amount of undergraduate tuition and schoolwide required fees billed by the school or program. Only tuition can be paid for a K-12 school, and the amount is limited to \$10,000 per year per beneficiary; schoolwide required fees cannot be paid to a K-12 school.

- The Purchaser must attach the school's detailed invoice by uploading the file or image directly from their computer or phone.

### Upload your Invoice

To continue your request, you will be required to upload a copy of the itemized billing invoice from the school or apprenticeship program listing the undergraduate tuition and schoolwide required fees for the specified term.

Select file(s):

Choose Files No file chosen

Don't have a scanner? No problem, we can also accept pictures of documents so long as the details are fully legible, even pictures of documents taken on your cell phone.

Remember, we can only accept documents in the following format:

- 10MB or Less
- .jpeg, .gif, .pdf, or .png
- avoid using special characters/punctuation in the file name

Back
Next

- The Purchaser would review and confirm the information entered and click "Submit" to complete the Transfer Value Authorization.

By submitting, the Purchaser authorizes payment of benefits to the school or program for the selected term and year.

#### School or Program

Designated School or Program

School or Program Address

#### Transfer Value Authorization

Term	Year	Student ID
Tuition Charged	Schoolwide Required Fees	Adjustments/Credits
How to Use Units PARTIAL	Requested Units	Calculated Amount

#### Uploaded Invoice

File Name	Status
images.jpg	<span style="color: green;">✔</span> Success

6. The Purchaser will receive an email confirming the Transfer Value activity to the email address on file.

Authorization Confirmed

Please print a copy of this page for your records. You will also receive an email confirming this activity to the email on file.

Account Information	
Beneficiary Name	Account Number
Beneficiary Email	

School or Program
Designated School or Program
School or Program Address

For more information about the Transfer Value of your Tuition Units, the Purchaser can contact customer service at **800-445-4723, Option 5**.

**Please note that net investment earnings or losses continue to accrue until the day the Plan Manager processes your transfer request.**

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## **CAN I USE MY CONTRACT FOR ONLINE OR CORRESPONDENCE COURSES, STUDY ABROAD OR CERTIFICATE COURSES/PROGRAMS OFFERED BY TEXAS PUBLIC COLLEGES AND UNIVERSITIES?**

**M**any Texas public colleges and universities offer undergraduate courses to enrolled students through online or distance learning. In most cases, Tuition Units can be redeemed to pay for these courses the same way Tuition Units are redeemed to pay for on-campus courses.

Texas colleges offer a variety of certificate programs. Generally, Tuition Units can be redeemed to pay for undergraduate for-credit courses, including courses offered in certificate programs.

Texas junior colleges offer certain continuing education courses that are not for-credit courses. Tuition Units cannot be redeemed to pay directly for these courses. Your Purchaser can transfer the Transfer Value of your Tuition Units to a qualified 529 college savings plan, such as the [Texas College Savings Plan](#)<sup>®</sup>. Generally, the Purchaser can authorize distributions from the 529 college savings plan to pay for these types of courses. Transfer Value is limited to the lesser of (1) the costs 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.

The contract may be used for study abroad programs if the student is enrolled in college credit courses that participate in the U.S. Department of Education's Federal Financial Aid Program. If the study abroad program is sponsored by a Texas public college or university, the Purchaser should submit payment authorization for that school and term. The school would then bill the Plan. If the school's study abroad program is administered through a third-party vendor, the Purchaser can submit a [Refund Request Form](#) for a partial refund to cover the cost of the program. If the study abroad program is through a medical or dental school, Texas private college or university or out-of-state college or university, the Purchaser will need to submit a Transfer Value Payment Authorization Form along with a detailed statement from the college or university.

The Purchaser can check online at [TexasTuitionPromiseFund.com](https://www.texas-tuition-promise-fund.com) or contact customer service at **800-445-4723, option 5**, for more information about the Transfer Value of the Tuition Units. The Purchaser can also find the [Refund Request Form](#) on the website under "Documents".

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## **CAN I USE THE PLAN FOR DUAL ENROLLMENT WHILE I AM STILL IN HIGH SCHOOL?**

**Y**es. "Dual enrollment" is the term used for college credit courses taken while attending high school. If you are in high school, upon the Plan's receipt of a written request from the Purchaser, your Tuition Units can be used to pay undergraduate tuition and schoolwide required fees at Texas public two- and four-year colleges and universities.

If you take dual enrollment courses at a medical or dental school, Texas private college or university, out-of-state college or university or an career school, you can apply the Transfer Value of your Tuition Units towards the cost of tuition and schoolwide required fees. Transfer Value is limited to the lesser of (1) the costs 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.

The Purchaser can check online or contact customer service at **800-445-4723, option 5**, for information about the Transfer Value of your account.

In order to redeem Tuition Units while you are still in high school, your contract must have met the following requirements:

- Tuition Units must be paid in full
- Installment and Lump Sum contracts must be paid in full
- Tuition Units must have met the three-year holding period
- Your contract must have valid social security numbers for the Purchaser and Beneficiary
- Your contract cannot have reached the 10-year termination deadline
- Your contract cannot have any outstanding fees or charges

It is important to note that using your Plan for dual enrollment while you are in high school will accelerate the 10-year termination deadline. The termination deadline is normally 10 years from your projected high school graduation date as determined based on the application form; however, if you use your Plan for dual enrollment, the projected high school graduation date will need to be amended using the Account Maintenance Form to reflect the year in which you begin using your contract.

You can check online at [TexasTuitionPromiseFund.com](https://www.texas-tuition-promise-fund.com) or contact customer service at **800-445-4723, option 5**, for information about dual enrollment. You can also find the [Account Maintenance Form](#) on the website under “Documents”.

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## HOW LONG DO I HAVE TO USE MY TUITION UNITS?

**Y**ou have up to 10 years from your projected high school graduation date as determined based on the application form to use all Tuition Units under the contract, otherwise the contract will automatically be canceled and any remaining Tuition Units will be refunded. Any years you spend on active duty in U.S. military service are added to the 10-year limit to extend the time period during which benefits can be used if the Purchaser provides proof of that service to the Plan prior to the automatic 10-year termination deadline. Please see the information above about how the deadline will be impacted by dual enrollment.



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## WHAT IF I DO NOT USE MY CONTRACT (BECAUSE I DECIDE NOT TO GO TO COLLEGE, I RECEIVE A SCHOLARSHIP OR SOME OTHER REASON)?

If, for some reason, the Beneficiary will not use all or any of the Tuition Units, the Purchaser of the contract can:

- Change the Beneficiary of the contract to a “Member of the Family.”
- Cancel the contract to request a refund
- Transfer Tuition Units to another qualified 529 college savings plan (see page 29)
- Transfer Tuition Units to a 529A ABLE Program (see page 30)
- Roll over funds to a Roth IRA account for the benefit of the Beneficiary. Conditions and limitations apply. (see page 30)

### CHANGE OF BENEFICIARY

The Purchaser can change the Beneficiary of a contract to a person who meets the residency requirement on the date of the change and who is a “Member of the Family” of the current Beneficiary. Members of the current Beneficiary’s family for these purposes include the Beneficiary’s:

- spouse
- child, grandchild, great-grandchild, or their spouse
- sibling or step-sibling, or their spouse
- parent, grandparent, or their spouse
- spouse’s parent or sibling, or their spouse
- niece or nephew (a child of the Beneficiary’s sibling, but not a child of a brother- or sister-in-law), or their spouse
- aunt or uncle, or their spouse
- first cousin

For purposes of this definition, a legally adopted child or a half-brother or half-sister is treated as a brother or sister. There are no fees for a change of Beneficiary and there are no penalties associated with a change of Beneficiary provided the change is in compliance with Section 529 of the Internal Revenue Code. However, a change of Beneficiary might have significant gift tax or generation-skipping transfer tax consequences. The Purchaser should consult with a tax advisor prior to changing the Beneficiary. The 10-year automatic termination deadline would apply to the new Beneficiary based on his or her projected high school graduation date at the time of the change.

For more detail on change of Beneficiary, see the [Plan Description and Master Agreement](#) available at [TexasTuitionPromiseFund.com](https://www.texas-tuition-promise-fund.com) under “Documents”. You can also find the [Change of Beneficiary Form](#) on the website under “Documents”.

## CANCEL TO GET REFUND

A Purchaser may cancel or terminate a contract, or a portion of a contract, and apply for a refund up to two times in a 12-month period. The amount refunded will be based on whether Tuition Units have met the three-year holding period requirement at the time a refund is requested and the reason for the request.

**Reduced Refund Value.** For Tuition Units that do not meet the three-year holding period requirement, the Purchaser may receive the Reduced Refund Value. Reduced Refund Value is limited to the lesser of (1) the price paid for the unit, or (2) the price paid for the unit plus or minus the Plan's net investment earnings or losses on that amount, and is net of any fees due and payable. This means the Reduced Refund Value will not include any positive net earnings but can be less than the purchase price if there have been periods of negative returns in the market. Reduced Refund Value does not include any state-provided or procured matching contribution. Any outstanding fees imposed by the Plan will be subtracted from the total refund amount. Application fees will not be refunded.

**Refund Value.** For units held at least three years, the Purchaser may receive the Refund Value. The Refund Value is equal to the price paid for the unit plus or minus the Plan's adjusted net investment earnings or losses on that amount. The earnings rate is set annually by the Board at a rate that is up to 2 percent less than the Plan's actual net earnings and is capped at 5 percent. Payment of the earnings portion, if any, is subject to the Plan's actuarial soundness and is subject to federal income taxes plus a 10 percent additional federal tax as well as any state or local taxes that may apply for non-Texans. Refund Value does not include any state-provided or procured matching contribution. Refund Value may not be less than Reduced Refund Value. Any outstanding fees imposed by the Plan will be subtracted from the total refund amount. Application fees will not be refunded.

Refund Value may also be paid where the Beneficiary receives a scholarship, is admitted to a U.S. military academy, or dies or becomes disabled.

For more detail on the limitations on refunds, see the [Plan Description and Master Agreement](#) available at [TexasTuitionPromiseFund.com](https://www.TexasTuitionPromiseFund.com) under "Documents". You can also find the [Refund Request Form](#) on the website under "Documents".

IF THE FOLLOWING EVENT OCCURS	"REDUCED REFUND VALUE" <sup>1</sup>	"REFUND VALUE" <sup>1</sup>
<b>Voluntary Cancellation —</b> Before Three-Year Holding Period requirement is met	<b>X</b>	
<b>Voluntary Cancellation —</b> After Three-Year Holding Period requirement is met		<b>X</b>
<b>Cancellation due to Scholarship, Admission to a U.S. Military Academy, Death or Disability of Beneficiary</b>		<b>X</b>
<b>Unused Tuition Units —</b> Held for 3 years or more		<b>X</b>
<b>Cancellation due to Default</b>	<b>X</b>	
<b>Cancellation due to Expiration of Tuition Units —</b> 10 years after projected high school graduation date (based on information provided at the time of enrollment)		<b>X</b>

(<sup>1</sup>Refund Value will be limited to include only the Plan's adjusted annual net earnings, including any negative earnings, up until the date the contract has been terminated.)

### **TRANSFER TO ANOTHER INTERNAL REVENUE CODE SECTION 529 COLLEGE SAVINGS PLAN**

A Purchaser may transfer or roll over all or part of the value of a contract to another Section 529 Plan sponsored by Texas or by another state or other authorized entity, in accordance with Internal Revenue Code Section 529, to be used to pay expenses not covered by the Texas Tuition Promise Fund, such as room and board, books, course-specific fees, fees that are not schoolwide, graduate school tuition or optional fees. A Section 529 Plan may also be used to pay for other qualified higher education expenses such as computer equipment. The value of the contract at the time of a direct rollover/transfer is the Transfer Value. Transfer Value is limited to the lesser of (1) the costs 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. Transfer Value does not include any state-provided or procured matching contributions or any earnings on state-provided or procured matching contributions, if applicable. Any outstanding fees imposed by the Plan would be subtracted from the total transferred amount.

For a direct rollover/transfer, the Purchaser must complete and submit any required forms at least 30 days prior to the effective date of the rollover/transfer. Upon request by the Plan Manager, the Purchaser must provide any additional information necessary to complete the rollover/transfer. While rollovers and transfers may often be achieved without imposition of federal income tax or the additional 10 percent federal tax, they can in some cases have substantial income tax or transfer tax consequences. Please see the [Plan Description and Master Agreement](#) available at [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com) under “Documents” for information on the tax treatment and implications of rollovers and transfers. The Purchaser can check online or contact customer service at **800-445-4723, option 5**, for information about the Transfer Value of your contract.

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### **CAN I ROLL OVER FUNDS FROM MY 529 PLAN ACCOUNT TO A ROTH IRA?**

**E**ffective January 1, 2024, a 529 plan account owner can roll over amounts from their 529 account to a Roth IRA for the 529 plan account Beneficiary, subject to certain conditions. The Purchaser may request a rollover from their contract to a Roth IRA by submitting the Roth IRA Rollover Form, available at [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com) under “Documents.” For information regarding the conditions that must be met for a 529 plan account to Roth IRA rollover, visit the General FAQ section of our website at [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com).

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### **TRANSFER TO A 529A ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) PROGRAM**

**A** Purchaser may transfer or roll over all or part of the value of a contract to a Section 529A ABLE program sponsored by the state of Texas or by another state provided certain conditions are met before January 1, 2026, to provide secure funding for qualified disability expenses on behalf of eligible beneficiaries with disabilities. The Beneficiary of the ABLE account must be the same Beneficiary or a Member of the Family of the Beneficiary of the Texas Tuition Promise Fund contract (as defined by Internal Revenue Code Section 529) who meets eligibility requirements of the ABLE program. Also, the ABLE account must receive the rollover within 60 days of the Texas Tuition Promise Fund contract distribution. The value of the contract at the time of a direct rollover/transfer is the Transfer Value. Transfer Value is limited to the lesser of (1) the costs 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. Transfer Value does not include any state-provided or procured matching contributions or any earnings on state-provided or procured matching contributions, if applicable. Any outstanding fees imposed by the Plan would be subtracted from the total transferred amount.

ABLE accounts are currently limited to \$18,000 per year in annual contributions from all sources unless the able-to-work provision of the 2017 Tax Cuts and Jobs Act applies. The Purchaser should check the status of the ABLE account balance before transferring or rolling over any amounts from your Texas Tuition Promise Fund contract so that they do not exceed the allowable ABLE contributions for the year.

To apply for a direct rollover/transfer, the Purchaser must complete and submit any required forms at least 30 days prior to the effective date of the rollover/transfer. Upon request by the Plan Manager, the Purchaser must provide any additional information necessary to complete the rollover/transfer. While rollovers and transfers may often be achieved without imposition of federal income tax or the additional 10 percent federal tax, they can in some cases have substantial income tax or transfer tax consequences. Please see the [Plan Description and Master Agreement](#) available at [TexasTuitionPromiseFund.com](#) under “Documents” for information on the tax treatment and implications of rollovers and transfers.

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## MARKET RISKS ASSOCIATED WITH REFUNDS AND ROLLOVERS/TRANSFERS

If a refund or rollover/transfer is requested, the amount of a refund or rollover may be affected by the Plan’s net investment returns (gains or losses). There is no guarantee that all of the payments made to a contract will be refunded or transferred. The Reduced Refund Value, Refund Value or Transfer Value can be less than the purchase price if there have been periods of negative net returns on the Plan’s investments.

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## TEXAS MATCH THE PROMISE FOUNDATION<sup>SM</sup>

If you were awarded a matching scholarship or tuition grant by the Texas Match the Promise Foundation<sup>SM</sup> (“Foundation”), certain actions taken by your Purchaser regarding the contract could result in forfeiture of the Scholarship Tuition Units. Actions that affect the matched account which could impact the award include a change of Beneficiary, cancellation, refund or downgrade to fewer or a less expensive type of Tuition Units.

To redeem Scholarship Tuition Units awarded by the Texas Match the Promise Foundation, the Purchaser of your matched contract (which is linked to the scholarship account) must submit an [Approval Request to Use Scholarship Tuition Units Awarded by the Match the Promise Foundation](#) to the Foundation. The approval request can be found at [TexasTuitionPromiseFund.com](#) under “Documents” or at [MatchThePromise.org](#) under the Quick Link “Using Scholarships.”

Scholarship Tuition Units awarded by the Texas Match the Promise Foundation can be applied towards the cost of undergraduate resident tuition and schoolwide required fees ONLY at Texas public colleges and universities. Scholarship Tuition Units awarded by the Foundation cannot be used at medical or dental schools, Texas private colleges or universities, out-of-state colleges or universities, career schools, or for registered apprenticeship programs.

To the extent possible, available Tuition Units in your matched account should be used before Scholarship Tuition Units awarded by the Foundation. You can find more information about the Foundation and Scholarship Tuition Units at [MatchThePromise.org](https://www.MatchThePromise.org). If you have any questions, please contact us at **800-531-5441, ext. 3-8852**.

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## WHAT IF I RECEIVE A SCHOLARSHIP?

If you receive a scholarship, the Purchaser can:

- Keep your unused Tuition Units for later use. Remember that Tuition Units expire 10 years from your projected high school graduation date as determined based on the application form.
- Change the Beneficiary of the contract to a “Member of the Family” who meets the residency requirement on the date of change. See “Change of Beneficiary” on page 27. The Purchaser should consult their tax advisor to determine whether such a change creates a taxable gift or other adverse tax consequences for you or the Purchaser.
- Request a Refund of the Refund Value. Refunds made due to a documented scholarship receive the Refund Value, even if they do not meet the three-year holding period requirement. Refunds made due to scholarships can still be subject to federal income tax, but are exempt from the 10 percent additional federal tax (to the extent the refund does not exceed the amount of the scholarship). Purchasers should retain documentation of the scholarship and education expenses for tax purposes.
- Transfer the Transfer Value of unused Tuition Units to a qualified 529 college savings plan, such as the [Texas College Savings Plan®](#), so that the money can be used for qualified higher education expenses allowed under Section 529 of the Internal Revenue Code but not covered by the Plan, including K-12 tuition expenses (up to \$10,000 per year per Beneficiary) and repayments of principal and interest on qualified student loans (lifetime maximum of \$10,000 per beneficiary).



While federal law allows 529 plans to be used for certain elementary or secondary education tuition expenses, state tax consequences vary and may include the recapture of state tax deductions as well as penalties for non-Texans. Your Purchaser should consult with a tax or legal advisor in this regard. (Please see IRS Publication 970 and the Texas College Savings Plan® Plan Description for details.)

- Transfer the Transfer Value of unused Tuition Units to an ABLÉ account (up to \$18,000 in 2024). See the ABLÉ Program Disclosure for other conditions and limitations. See “Transfer to a 529A Achieving a Better Life Experience (ABLE) Program” on page 30.

The Purchaser may request a scholarship refund by submitting a completed [Refund Request Form](#) that can be found on our website at [TexasTuitionPromiseFund.com](#) under “Documents”.

The Refund Value is equal to the price paid for the unit plus or minus the Plan’s adjusted net investment earnings or losses on that amount. The earnings rate is set annually by the Board at a rate that is up to 2 percent less than the actual net earnings and is capped at 5 percent. The payment of the earnings portion of a Refund, if any, is subject to the actuarial soundness of the Plan and is subject to federal income taxes plus a 10 percent additional federal tax as well as any state or local taxes that may apply for non-Texans. Refund Value does not include state-provided or procured matching contribution. Refund Value will not be less than Reduced Refund Value. Any outstanding fees imposed by the Plan would be subtracted from the total refund amount. Application fees will not be refunded.

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## CAN I USE THE PLAN FOR GRADUATE SCHOOL?

**N**o. Your contract cannot be used for graduate school. However, the Purchaser can transfer the Transfer Value of your Tuition Units to a qualified 529 college savings plan, such as the [Texas College Savings Plan](#)®, and the proceeds can be used to pay for expenses not covered by the Plan, such as graduate school tuition, room and board, books, course-specific fees, fees that are not schoolwide, or other optional fees. A Section 529 Plan may also be used to pay for other qualified higher education expenses such as computer equipment. The Transfer Value is limited to the lesser of (1) the costs 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.

The Purchaser can check online at [TexasTuitionPromiseFund.com](#) or contact customer service at **800-445-4723, option 5**, for information about the Transfer Value of your contract.

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## CAN I USE THE PLAN FOR K-12 TUITION?

**T**he Purchaser can transfer the Transfer Value of your Tuition Units to a qualified 529 college savings plan, such as the [Texas College Savings Plan](#)<sup>®</sup>, which can be used to pay for tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school (“K-12”) for up to \$10,000 per year per Beneficiary. The Transfer Value is limited to the lesser of (1) the costs 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. Please note that the \$10,000 limitation applies on a per-student basis, rather than a per-account basis, regardless of whether the funds are distributed from multiple 529 accounts. While federal law allows 529 plans to be used for certain elementary or secondary education tuition expenses, state tax consequences vary for non-Texans and may include the recapture of state tax deductions as well as penalties. The Purchaser should consult with a tax or legal advisor in this regard.

The Purchaser can check online or contact customer service at **800-445-4723, option 5**, for information about the Transfer Value of your contract.

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## CAN I USE THE PLAN FOR APPRENTICESHIP PROGRAMS?

**T**he Purchaser can transfer the Transfer Value of your Tuition Units to pay for tuition and required fees for a registered apprenticeship program. In order to qualify as a registered apprenticeship program, the program must be registered and certified with the Secretary of Labor under Section 1 of the National Apprenticeship Act. The Purchaser can check online or contact customer service at **800-445-4723, option 5**, for information about the Transfer Value of your contract.

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## CAN I USE THE PLAN TO PAY STUDENT LOANS?

**T**he Purchaser can transfer the Transfer Value of your Tuition Units to a qualified 529 college savings plan, such as the [Texas College Savings Plan](#)<sup>®</sup>, and the proceeds can be used to pay up to \$10,000 in principal or interest on qualified student loans of the Beneficiary and/or their sibling. A qualified student loan means a qualified education loan under Section 221(d) of the Internal Revenue Code. The Transfer Value is limited to the lesser of (1) the costs 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. Please note that this repayment provision is limited to principal and/or interest and there is a lifetime maximum of \$10,000 per Beneficiary and \$10,000 per sibling of the Beneficiary.

The Purchaser can check online at [TexasTuitionPromiseFund.com](https://www.texas-tuition-promise-fund.com) or contact customer service at **800-445-4723, option 5**, for information about the Transfer Value of your contract.

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## HOW DOES HAVING A TEXAS TUITION PROMISE FUND CONTRACT AFFECT FINANCIAL AID?

**W**hether your contract will affect your eligibility for federal financial aid depends on who the Purchaser is and your relationship to the Purchaser. Also, laws related to federal student aid change frequently. You should check the latest information on the Department of Education's website at <https://fsapartners.ed.gov/knowledge-center/fsa-handbook> to see how you should report your contract on your Free Application for Federal Student Aid (FAFSA).

For Texas state-funded financial aid, Texas law provides that the value of the contract may not be considered an asset, income, or resource in determining eligibility for Texas state-funded student financial aid.

For school-based financial aid, the effect of being a Purchaser or Beneficiary of a contract varies from institution to institution.

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## ARE THE DISTRIBUTIONS FROM MY ACCOUNT TAXABLE?

Qualified withdrawals are not subject to federal income tax. If you withdraw more than your adjusted qualified higher education expenses for any tax year or use a refund for anything other than qualified higher education expenses (a nonqualified withdrawal), a portion of the nonqualified withdrawal may be subject to federal income tax and an additional 10 percent federal tax, and for non-Texans, state income tax. If a nonqualified withdrawal was distributed to your school for your benefit, you will be responsible for the tax. Distributions will be reported to the Internal Revenue Service (“IRS”) on Form 1099-Q as follows:

IRS FORM 1099-Q TYPE OF DISTRIBUTION	TAXABLE PARTY
Payments to Colleges and Universities	Beneficiary
Scholarship Refund	Purchaser
Voluntary Cancellation Refund	Purchaser
Involuntary Cancellation Refund	Purchaser

Generally, withdrawals due to the Beneficiary’s death, disability, receipt of a scholarship (to the extent the withdrawal does not exceed the scholarship amount), attendance at a U.S. Military Academy or use of Education Tax Credits are not subject to the additional 10 percent federal tax. Purchasers are advised to keep documentation of expenses for tax purposes and to review IRS Publication 970 with their tax advisors. For more details, please see the [Plan Description and Master Agreement](#) available at [TexasTuitionPromiseFund.com](https://www.TexasTuitionPromiseFund.com) under “Documents”.

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## WILL I RECEIVE ANNUAL STATEMENTS OF MY CONTRACT ACTIVITY?

Quarterly and annual statements will be provided to Purchasers to reflect contract activity. A Purchaser may also view contract activity by accessing his or her account at [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com) on the [Login](#) page. A Purchaser has 60 days from the receipt of a quarterly or annual statement to notify the Plan Manager of any errors.

**Protecting the Contract.** The Plan uses reasonable procedures to confirm that transaction requests are genuine. The Purchaser may be responsible for losses resulting from fraudulent or unauthorized instructions received by the Plan Manager provided the Plan Manager reasonably believes the instructions were genuine. To safeguard the contract, please keep the contract information confidential. Contact the Plan Manager immediately if you believe there is a discrepancy between a transaction performed and the confirmation or annual statement your Purchaser received, or if you believe someone has obtained unauthorized access to the contract.

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## TEXAS PREPAID HIGHER EDUCATION TUITION BOARD

### The Honorable Glenn Hegar

Chair  
Texas Comptroller  
Austin, Texas

#### Ms. Sarina Davidson

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Austin, Texas

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El Paso, Texas

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### OTHER QUESTIONS?

For more information, contact the Texas Tuition Promise Fund at  
**800-445-GRAD (4723), option 5**

or access account information by visiting [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com)

We can also be reached by mail at:

P.O. Box 44305

Jacksonville, FL 32231-4305



The Texas Tuition Promise Fund® (“Plan”) is administered by the Texas Prepaid Higher Education Tuition Board (“Board”). Orion Advisor Solutions, Inc. is the manager of the Plan, which is maintained by Catalis Regulatory and Compliance, LLC, who is not affiliated with Orion. The Plan 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 Plan 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 Plan. 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 Plan termination and reduced Transfer or Refund Value. Transfer Value applies to redemptions at Texas 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 the Plan’s net investment earnings or losses on that amount. Texas Match the Promise Foundation<sup>SM</sup> scholarships can only be used at Texas public colleges and universities, and any Transfer Value of a Match the Promise Foundation scholarship account cannot be utilized. The Plan Description and Master Agreement contain this and other information about the Plan and may be obtained by visiting [TexasTuitionPromiseFund.com](https://TexasTuitionPromiseFund.com) or calling 800-445-GRAD (4723), option 5. Purchasers should read the Plan Description and Master Agreement, and all other Plan documents carefully before purchasing a contract.

Comments or complaints may be submitted by mail to: Prepaid Higher Education Tuition Program, Office of the Comptroller of Public Accounts, P.O. Box 13407, Austin, Texas 78711-3407; or, by phone at: 512-936-2064.

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