



# TEXAS 529 UPDATE

BROUGHT TO YOU BY THE TEXAS TUITION PROMISE FUND®, THE STATE'S 529 PREPAID COLLEGE TUITION PLAN SEPTEMBER 2024



## IN THIS ISSUE

SWEET 16 FOR THE TEXAS TUITION PROMISE FUND

A LOOK BACK AT TUITION UNIT PRICES

EXPLORE THE PLAN'S FLEXIBILITY WITH OUR CALCULATOR

MATCH THE PROMISE EXPANDS FAMILY INCOME ELIGIBILITY

# Sweet 16 for the Texas Tuition Promise Fund

For the past 16 years, the tax-advantaged Texas Tuition Promise Fund® (TTPF) has been helping Texans plan for a brighter future by making college more affordable. From the plan's first enrollments in 2008 to the many graduates who've walked across the stage since, TTPF remains committed to helping Texas families plan for their loved one's higher education.

Join us as we look back on the past 16 years and prepare for many more years to come!

### NEW 2024-25 TUITION UNIT PRICES:

- Type I: \$164.92
- Type II: \$115.75
- Type III: \$31.58

### GENERAL ENROLLMENT PERIOD

**IS NOW OPEN!** *We are waiving the \$25 application fee for new accounts opened in September and October! Enrollments by mail must be postmarked by Oct. 31, 2024.*

## A LOOK BACK AT TUITION UNIT PRICES

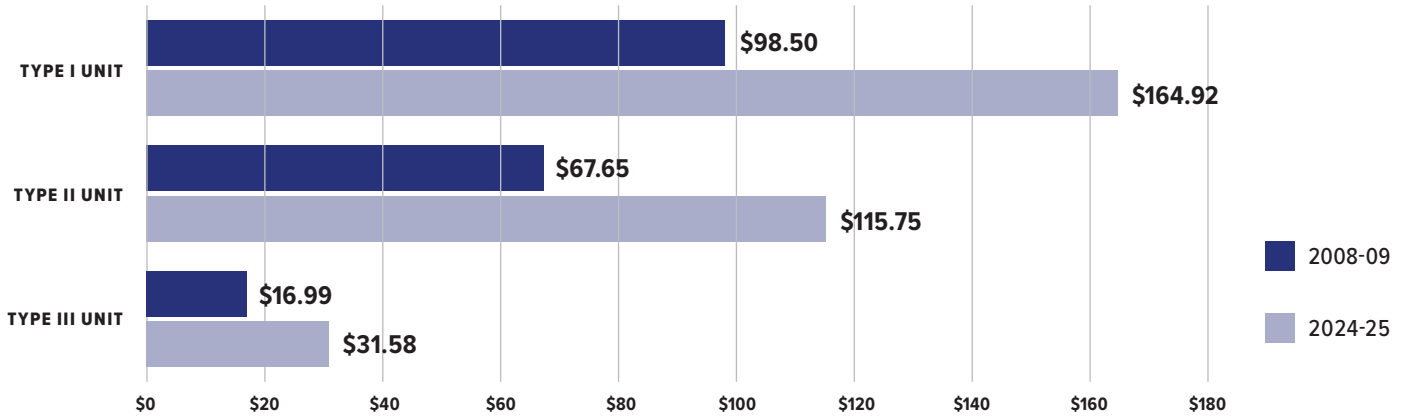
As the new general enrollment period opens for the Texas Tuition Promise Fund (TTPF), now is a perfect time to reflect on how tuition unit prices have risen through the years and why TTPF continues to be a helpful resource for Texas families.

Since 2008, TTPF has offered three types of tuition units that align with the cost of undergraduate resident tuition and schoolwide required fees at Texas public colleges and universities, excluding medical and dental schools. The chart on the next page looks at tuition unit prices in the 2008-09 initial sales period compared to the 2024-25 sales period for the three types of units offered by the plan.

**Type I Units** – Based on the four-year Texas public college or university with the most expensive undergraduate resident tuition and schoolwide required fees.

CONTINUES ON PAGE 2 ►

## Comparison of Tuition Unit Sales Prices



**Type II Units** – Based on the weighted average cost of undergraduate resident tuition and schoolwide required fees for all four-year Texas public colleges and universities, excluding medical and dental schools.

**Type III Units** – Based on the weighted average cost of undergraduate in-district tuition and schoolwide required fees for all two-year Texas public colleges.

In the 16 years since the program first opened for enrollment, tuition unit sales prices have risen in response to rising tuition and schoolwide required fee costs at Texas public colleges and universities. The cost of Type I units has increased by 67.43 percent, Type II units by 71.10 percent, and Type III units by 85.87 percent over that period.

The chart above illustrates that locking in tuition unit prices for future education expenses could have a big impact on the cost of paying for college. An important feature of the plan is that the difference between what you pay for tuition units and the units' value when redeemed is not subject to federal income tax.

Curious about how the various tuition units can be used? The chart below shows the annual tuition and schoolwide required fees at three popular colleges and how many units of each type

would be needed to cover the annual costs of undergraduate resident tuition and schoolwide required fees if you were redeeming the units for the upcoming academic year. You can explore this in more detail in our [2024-25 Academic Year Tuition Unit Pricing Schedule and Unit Value Redemption Guide](#).

You can find complete historical sales prices for all the tuition unit types, from 2008 to now, in the FAQs under [Tips & Tools](#) on our website.

Remember that any of the three tuition unit types may be used for a portion or all costs of undergraduate resident tuition and schoolwide required fees at Texas public colleges and universities, excluding medical and dental schools. The transfer value\* of tuition units can also be used at Texas private colleges and universities, out-of-state colleges and universities, medical and dental schools, career schools, and apprenticeship programs. Our flexible payment options fit almost any budget. You can choose to pay by lump sum, pay-as-you-go, or installment payments. Learn more at [TuitionPromise.org/how-it-works/cost-payment-options](#).

\*Transfer value 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.

COLLEGE/UNIVERSITY	TUITION & REQUIRED FEES*	TYPE I	TYPE II	TYPE III
University of Texas at Dallas	\$16,492.00	100.00	142.48	522.23
Texas A&M University College Station- College of Agriculture-Math & Science Intensive Rate	\$12,190.78	73.92	105.32	386.03
Midland College Lower Division	\$3,180.00	19.28	27.47	100.70

\*Cost of undergraduate resident tuition and schoolwide required fees for the 2024-2025 academic year.

Enrollment Information @ [TuitionPromise.org](https://TuitionPromise.org)

# Explore the Plan's Flexibility with Our Calculator

Planning for your child's higher education can be daunting, especially when faced with the potential of rising tuition costs. The Texas Tuition Promise Fund (TTPF) offers a practical tool to help with this challenging process – our user-friendly planning calculator. This tool helps Texas families explore the flexibility of the plan. You can compare tuition unit types and payment plans to find the best option for you.

Using the planning calculator is straightforward: By entering basic information, the calculator generates a personalized cost estimate. You can select the tuition unit type you are interested in, whether it is Type I, Type II, or Type III. The calculator allows you to specify your savings goals, including the number of tuition units you wish to purchase and your preferred payment option, whether lump-sum, pay-as-you-go, or installment.

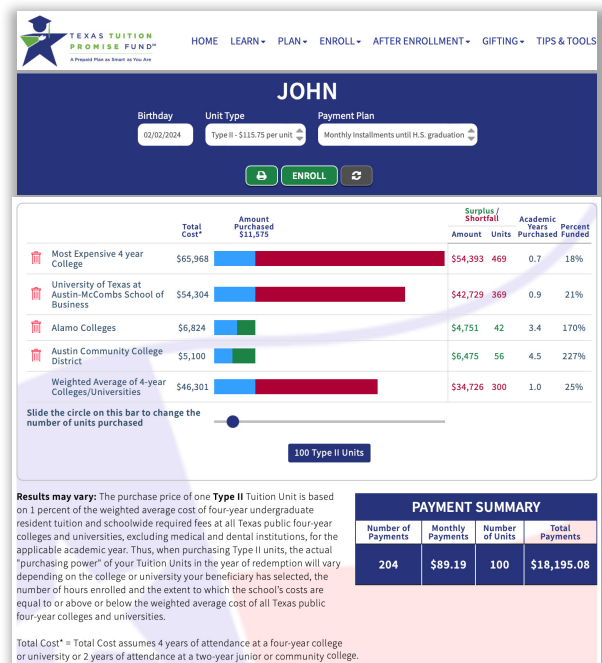
With just a few easy steps, you can estimate your monthly, annual or lump sum payment amount. For example, see the scenario on the right for a child named "John" who is less than a year old. Purchasing 100 Type II units at 2024-25 tuition unit prices with a monthly installment plan until high school graduation results in a monthly payment of \$89.19 over 204 months (17 years). Please note that the installment payment option includes a 6 percent interest rate in "Total Payments." You can run multiple calculations using the planning calculator to explore different unit types and payment scenarios. The results will show you how many academic years would be covered in the current academic year at the Texas public colleges and universities you choose for comparison based on the type and number of units you select.

As you use the calculator, keep in mind that any tuition unit type can be used at any eligible school. The number of units you will need depends on the tuition unit type you select, the school your child attends, and the number of credit hours enrolled.

## PLANNING CALCULATOR SCENARIO

Go to [TexasTuitionPromiseFund.com/calculator](https://TexasTuitionPromiseFund.com/calculator)

- Step 1:** Enter child's name and date of birth.
- Step 2:** Select type of unit.
- Step 3:** Select a payment option.
- Step 4:** Select up to four Texas public schools to compare how many academic years would be covered if the units you have chosen were redeemed in the current academic year.
- Step 5:** Select number of units and review your payment summary (slide the circle at the bottom of the chart to increase/decrease the number of units).



Remember, these results reflect current academic year prices at the schools you select for comparison, which are subject to change in the actual year the tuition units are redeemed.

Try the TTPF planning calculator today to understand the flexibility of the plan and explore different unit types and payment options.

Visit [TuitionPromise.org](https://TuitionPromise.org) and take the first step toward planning for your loved one's college education.



## Match the Promise Expands Family Income Eligibility

The Texas Match the Promise Foundation<sup>SM</sup> (Foundation) has made a significant impact in helping families save for higher education through the Texas Tuition Promise Fund (TTPF). Since the Foundation's beginning, it has approved almost \$1.2 million in matching scholarships and tuition grants for 713 recipients across the state, helping these students pursue their dreams of higher education.

The Foundation is expanding the family income requirement to offer scholarship opportunities to even more students in the 2024-25 application period. Eligible students whose families have an adjusted gross income of \$120,000 or less may now apply for a scholarship.\*

Here is a closer look at the program's eligibility requirements and scholarship awards:

### ELIGIBILITY REQUIREMENTS

Third through ninth graders who are beneficiaries of a TTPF contract and whose families have an adjusted gross income of \$120,000 or less may apply for the scholarship program.

### MINIMUM CONTRIBUTION

A minimum of \$50 must be contributed to a student's TTPF contract during the current sales period (Sept. 1, 2024, through Aug. 31, 2025) to receive a scholarship or grant.

### MATCHING SCHOLARSHIPS

The scholarship program will match up to \$500 of participant tuition unit purchases during the current sales period.

- Scholarship recipients with a family income of \$75,000 or less will receive a 4-to-1 match of tuition units worth up to \$2,000 at today's prices.
- All other scholarship recipients will receive a 2-to-1 match of tuition units worth up to \$1,000 at today's prices.

### PROMISE SCHOLARSHIPS

The 12 top-scoring recipients will also receive a one-time grant of tuition units worth up to \$3,000 at today's prices. This scholarship doesn't have a matching component, but the \$50 minimum contribution requirement applies.

The Foundation will accept scholarship applications **Sept. 1, 2024, through Dec. 31, 2024**. Applicants can apply online or download and mail an application, which must be postmarked no later than Dec. 31, 2024. Families may also enroll in TTPF during the scholarship application period if they don't already participate. If approved for a scholarship, families will have until **Aug. 31, 2025**, to meet the contribution requirements of the scholarship program.

Match the Promise encourages families to save for college by supplementing their contributions to TTPF. This initiative, supported by generous Texans, continues to provide additional financial support for families working to secure their children's educational futures.

Learn more and apply at [MatchThePromise.org](https://MatchThePromise.org).

*\*Residency restrictions, age requirements, eligibility criteria, and minimum contribution requirements apply.*



## UPCOMING WEBINARS

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

## TEXAS 529 COLLEGE SAVINGS PLANS

Did you know the state of Texas also offers an Internal Revenue Code Section 529 college savings plan? The Texas College Savings Plan® is a 529 plan that can be used to save for expenses not covered by the Texas Tuition Promise Fund, including graduate school tuition and fees, room and board, books, and equipment. Plan enrollment is open year-round. Please visit [TexasCollegeSavings.com](https://TexasCollegeSavings.com) for more information. If you work with a financial advisor, ask them about the LoneStar 529 Plan®.

## CONTACT US

[TUITIONPROMISE.ORG](https://TUITIONPROMISE.ORG)

[EMAIL US](#)

800-445-GRAD (4723),  
option 5

## IMPORTANT LINKS

[WEBINAR CALENDAR](#)

[TEXAS TUITION PROMISE FUND](#)

[TEXAS MATCH THE PROMISE FOUNDATION](#)

[TEXAS 529 UPDATE ARCHIVES](#)

## TEXAS 529A PROGRAM

Texas has a tax-advantaged Internal Revenue Code Section 529A plan for eligible individuals with disabilities to save for qualified disability expenses. Learn more at [TexasABLE.org](https://TexasABLE.org) or [email us](#) to ask about presentations.

*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 [TuitionPromise.org](https://TuitionPromise.org) 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.*

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