

Office of the State Treasurer

Mississippi Prepaid Affordable College Tuition Program

Master Contract for Legacy Contracts
(Contracts purchased prior to 2014)

Chapter 1: Introduction

This MPACT Master Contract, as amended from time to time, describes the basic terms and conditions of the Mississippi Prepaid Affordable College Tuition Program Trust Fund, established by the Mississippi Legislature as an agency and instrumentality of the State of Mississippi. The obligations and responsibilities of the State Treasurer on behalf of the Board of Directors of the College Savings Plans of Mississippi Trust Fund (the "Board") are defined by Mississippi Code Annotated §§ 37-155-1 to -27 (the "Act"), the Disclosure Statement, Rules and Regulations & Procedures (the "Rules"), and the policies and guidelines of the Board. The Application, this Master Contract, the Rules, and the Participation and Payment Schedule constitute the entire MPACT Contract between the Purchaser and the Board. Amendments to the Rules or additional documents relating to the Contract issued or received by the Board pursuant to the various terms and conditions described herein will be incorporated into the Contract. The Rules are delivered to each Purchaser upon enrollment in the Program.

Chapter 2: Definitions

The definitions of terms included in the Act and in the applicable provision of the Rules, as amended from time to time, shall apply to the Contract and are incorporated herein by reference.

2.01 Actuarial Assessment - An additional Contract amount assessed by the State Treasurer to preserve the actuarial soundness of the Trust Fund. For an unpaid or partially paid lump sum account, this amount will be a percentage of the outstanding balance per month determined by the actuary. For the reinstatement of a Monthly Payment Plan the actuarial assessment is the difference between the present value of the prescribed monthly payments and the present value of the payments actually made by the purchaser. The actuarial assessment for a change in length of a monthly payment Contract is the difference between the present values of the Contract payments of the old and new payment schedules.

- 2.02 Administrative Fees - Fees that are set forth in Chapter 8 of this Contract and which may be imposed from time to time in the future by the Board.
- 2.03 Cancellation - Voluntary discontinuation of the Purchaser from the MPACT Program and voluntary discontinuation of the Qualified Beneficiary's right to receive benefits under an MPACT Contract, when requested by the Purchaser, so long as the Purchaser has provided at least thirty (30) days' written notice to the State Treasurer and has submitted all applicable Administrative Fees (as set forth in Chapter 8 of this Contract and as may be amended in the future by the Board). An MPACT Contract may also be involuntarily cancelled for any of the following reasons: (1) The Purchaser fails to make payments pursuant to the MPACT Master Contract and/or the Participation and Payment Schedule; or (2) The Purchaser fails to make a Contract payment within forty-five (45) days of the first payment due date following the close of the MPACT Enrollment period during which the Application was submitted.
- 2.04 Cancellation Fee - An amount not to exceed one hundred fifty dollars (\$150) or as otherwise listed in Chapter 8 of this Contract.
- 2.05 Contingent Contract Purchaser - Any adult, corporation, trust, charitable organization or other Entity designated on the Application to become the Purchaser of the Contract in the event of the Contract Purchaser's death, at which point the Contingent Contract Purchaser must assume all obligations and responsibilities of the original Contract Purchaser. The Contingent Purchaser must meet the same eligibility requirements as the Contract Purchaser.
- 2.06 Contract Purchaser - Any adult person, corporation, trust, charitable organization or other Entity eligible to purchase an MPACT Contract, and who is obligated to make Contract payments and Administrative Fee payments in accordance with the MPACT Contract. MPACT Contract payments may be made by someone other than the designated Contract Purchaser. A Contract Purchaser must be either a U.S. citizen or a permanent resident alien. In each case the Contract Purchaser will have either a Social Security or a Taxpayer Identification Number.
- 2.07 Current Tuition Value - The weighted average of In-State Tuition and Mandatory Fees at the four-year public Institutions of Higher Education in Mississippi for senior college Contracts and it means the weighted average of In-State Tuition and Mandatory Fees at the public two-year Institutions of Higher Education in Mississippi for community/ junior college Contracts.

- 2.08 Disability of the Qualified Beneficiary - A disability which, based on the findings of a qualified health care professional, and on approval of these findings by the Board, renders the Qualified Beneficiary incapable of participating in higher education.
- 2.09 Enrollment Period - Any period designated by the Board during which Applications for enrollment in the MPACT Program will be accepted by the State Treasurer.
- 2.10 In-State Tuition - The tuition rate charged to a student who meets the State residency requirements established by the Board of Trustees of State Institutions of Higher Learning or the individual school attended by the student.
- 2.11 Mandatory Fees - Fees required as A CONDITION OF ENROLLMENT for ALL students attending the Postsecondary Institution in which the Qualified Beneficiary is enrolled and to which the Trust Fund payments will be made on behalf of the Qualified Beneficiary. Those fees charged to all students may include, but are not limited to, activity fees, health center fees, technology fees, etc. Those fees which are unique to a particular student or group of students such as lab fees are not considered to be mandatory. The term "Mandatory Fees," as used herein, does not include charges for books, supplies, room, or board even if the Postsecondary Institution attended by the Qualified Beneficiary requires all students to pay such charges. Additionally, the term "Mandatory Fees" does not include fees paid to Postsecondary Institutions when the Qualified Beneficiary applies for enrollment or orientation fees.
- 2.12 MPACT Contract - Referred to as the "Contract," refers collectively to the Application, this MPACT Master Contract, the Participation and Payment Schedule, and the Rules. Amendments to the Contract documents will be incorporated into this MPACT Master Contract.
- 2.13 MPACT Program - Referred to as the "Program," means the Mississippi Prepaid Affordable College Tuition Program established by the Mississippi Legislature and administered within the Mississippi Treasury Department pursuant to the Act.
- 2.14 Official Change Period - means any period so designated by the Board during which the MPACT Contract Purchaser may submit a written request for approval of changes in MPACT Contract terms, conditions, or information. Such changes may include, but are not limited to, changes in the Participation and Payment Schedule; changes in information provided on the

Application, this MPACT Master Contract, or on other MPACT documents; changes in payment method; and similar types of requests. Changes may be made outside of an Official Change Period only with the approval of the Board.

- 2.15 Partial Scholarship, Full Scholarship or Scholarship - Grants, gifts, or other financial aid awarded to a Qualified Beneficiary in an amount sufficient to pay a portion or all of the same benefits as are guaranteed under an MPACT Contract. A loan is not considered a scholarship.
- 2.16 Participation and Payment Schedule - The document, prepared by the State Treasurer, which defines the frequency, duration, and due date of MPACT Contract Payments, based on information provided by the Purchaser on the Application.
- 2.17 Projected College Entrance Date - The Academic School Year following the Qualified Beneficiary's projected high school graduation and is the earliest date for utilization of MPACT Contract benefits without written approval from the State Treasurer.
- 2.18 Qualified Beneficiary - An individual who meets all Beneficiary eligibility criteria and who is designated by the Purchaser of an MPACT Contract to be the recipient of MPACT Contract benefits. An individual may be named the Beneficiary of an MPACT Contract if such individual meets all of the following requirements:
 - A. The individual is a resident of the State of Mississippi or a nonresident if the Purchaser is a Mississippi resident;
 - B. The individual is eighteen (18) years of age or younger on the first day of the enrollment period in question;
 - C. The individual is not yet enrolled in an institution of higher learning; and
 - D. The individual has been born at the time the original Application is submitted.

A Beneficiary must be a U.S. citizen or a permanent resident alien. In each case the Beneficiary will have either a Social Security or a Taxpayer Identification Number. All references to the Contract Beneficiary within this Contract assume that the Beneficiary meets the Beneficiary eligibility requirements of MPACT, and is, therefore, a Qualified Beneficiary.

- 2.19 Qualified Higher Education Expenses - The expenses allowed under Section 529 of the Code and which are also allowed under the Program. For purposes of the Program, this includes tuition and the mandatory fees associated with attendance at an eligible educational institution.
- 2.20 Redemption Value - The amount of refund which shall include but not be limited to the amount paid in and an additional amount in the nature of interest at a rate that corresponds to the prevailing interest rates for savings accounts provided by banks and savings and loan associations, less any Administrative Fees paid (including an applicable Cancellation Fee). The Board may impose reasonable charges for such withdrawal or refund.
- 2.21 Termination - Involuntary discontinuation of the Purchaser from the MPACT Program and involuntary discontinuation of the Beneficiary's rights to receive benefits under an MPACT Contract. An MPACT Contract may be involuntarily terminated for any of the following reasons:
- A. The Purchaser or Beneficiary has made a material misrepresentation of information;
 - B. The Purchaser or Beneficiary has provided false information to the MPACT Program;
 - C. The Purchaser has requested or accepted any form of compensation, fee, commission, service charge or any other form of payment or remuneration for entering into a Contract for the benefit of a nonresident Beneficiary; or
 - D. Such other reasons as the State Treasurer may reasonably impose.

Chapter 3: Contract Benefits

3.01 General. The MPACT Contract guarantees, unless otherwise stated herein, payment by the Trust Fund of In-State Tuition and Mandatory Fees on behalf of the Qualified Beneficiary of the MPACT Contract, to the Postsecondary Institution in which the Qualified Beneficiary matriculates as follows:

- A. Payment of In-State Tuition of not more than five (5) years (defined as one hundred sixty (160) semester hours) or payment of In-State Tuition until award of a baccalaureate degree to the Qualified Beneficiary, whichever comes first; and
- B. Payment of Mandatory Fees for not more than ten (10) registrations on a semester system, fifteen (15) registrations on a quarter system, or the completion of one hundred sixty (160) semester hours or the academic equivalent units on a quarter system or other academic term basis.

MPACT may make payments on behalf of Qualified Beneficiaries from unused Contract hours to graduate institutions in the same manner and under the same rules as payments to private or out-of-State undergraduate institutions.

3.02 Program Restrictions. Only one individual may be named on the Application and in the Contract as the Contract Purchaser. However, more than one Contract can be purchased for a Qualified Beneficiary, provided that the total amount of tuition purchased does not exceed the limits enumerated above.

CONTRACT BENEFITS ARE BASED ON IN-STATE TUITION AND MANDATORY FEE RATES OF MISSISSIPPI PUBLIC INSTITUTIONS OF HIGHER LEARNING.

Chapter 4: Payments

4.01 General. Payments are due in the amounts and on the dates specified in the Participation and Payment Schedule. An Actuarial Assessment may be added for each month that the lump sum payment is past due. Late payment fees may also be assessed. For monthly payment plans, the first monthly payment is due on the date specified in the Participation and Payment Schedule with the remaining payments due on the first day of each month until the Contract is paid in full. An Actuarial Assessment may be added for each month that the payment is past due. Late payment fees may also be assessed. All payments due under the MPACT Contract must be "cash contributions" made by personal check, money order, cashier's check, Automatic Bank Draft (ACH payment) or other certified funds (including credit cards for on-line payments, if applicable). Non-cash contributions cannot be accepted.

4.02 Purchaser's Responsibility. The Purchaser is responsible for making all payments on time, even if the Purchaser has not received a Participation and Payment Schedule from MPACT, or even if the Purchaser's selected payment method has not been implemented. The Purchaser is responsible for verifying the effective date of the selected payment method. The MPACT Contract will be cancelled if no Contract payments have been received within forty five (45) days of the first payment due date.

4.03 Returned Items. A fee of thirty dollar (\$30) shall be assessed for all returned payments.

4.04 Late Payments. A late fee of twenty dollars (\$20) will be added to each monthly payment not received within fifteen (15) days of the due date.

4.05 Default. Failure to make any payment within thirty (30) days of the date due will constitute default of the Contract. All rights of the Beneficiary under the

Contract may be terminated or suspended upon default. If, within one hundred eighty (180) days of default, the Purchaser pays all delinquent amounts including Actuarial Assessments and Administrative Fees, the Beneficiary's rights under the Contract will be reinstated. If, within one hundred eighty (180) days of default, no payment is received, the Contract will be suspended.

4.06 Reinstatement. A request for reinstatement of a cancelled Contract may be submitted in writing by the Purchaser, with appropriate justification, as determined by the State Treasurer. A Contract will not be reinstated until all delinquent amounts, including Actuarial Assessments and Administrative Fees, have been received. The Purchaser may also request to convert the payment plan or number and type of tuition years to an arrangement where the Contract is no longer delinquent.

4.07 Change in Payment Method. Requests for a change in payment method must be submitted in writing and approved by the State Treasurer.

4.08 Changes in Payment Schedule. Changes in payment schedule shall include a \$20 Administrative Fee and may be requested in writing during the 2011 Enrollment Period through the 10th day of the month in which the first payment is due. A change at any other time must be submitted in writing and be approved by the State Treasurer.

4.09 Account Maintenance Fee. Each Contract payment includes a nonrefundable account maintenance fee for monthly accounts, and a nonrefundable account maintenance fee for lump sum payments.

Chapter 5: Cancellation, Termination and Refund

5.01 General. Participation in the MPACT Program is strictly voluntary. The MPACT Contract can be cancelled at any time upon receipt of a written request from the Contract Purchaser. Except for circumstances described below, Cancellation or Termination shall entitle the Purchaser to a refund of the Redemption Value of the Contract. Refunds may be paid in installments. The Contract is not a debt instrument.

5.02 Death or Disability of the Beneficiary. Refunds made with respect to the death or disability of the Qualified Beneficiary may exceed the amounts paid into the Trust Fund and the Redemption Value as specified in Chapter 5.01. Under these circumstances, the Purchaser shall receive a refund equal to the sum of all MPACT Contract payments paid to date, excluding all Administrative Fees, minus any amount paid by the Trust Fund to Postsecondary Institutions on behalf of the

Qualified Beneficiary, with such net amounts adjusted to reflect the increase in Current Tuition Value over the period from the purchase of the Contract to the date the refund calculation is made.

5.03 Scholarship. If the Qualified Beneficiary receives a full or partial scholarship, the Purchaser may elect to cancel the Contract and request a refund, or the Contract can be transferred to a substitute Qualified Beneficiary. Any refund will be equal to the Redemption Value of the Contract. If the Contract is not transferred or cancelled, MPACT will make payment to the college or university based on the invoice submitted by the institution and subject to the Rules. If such an invoice is for the full amount covered under the MPACT Contract, it will then be the responsibility of the Purchaser to request any refund due directly from the school involved. If the invoice from the college or university is for a reduced amount (an amount less than that contracted for by the Purchaser) due to a scholarship, then the Purchaser should request a refund from MPACT of the difference between the invoiced amount and the amount for which the Purchaser contracted.

5.04 Cancellation. If the Contract is cancelled for reasons other than as stated in Chapters 5.02 and 5.03, and provided the Purchaser gives MPACT at least thirty (30) days written notice of request for refund, the Purchaser will receive a refund of the Redemption Value of the Contract, less the Cancellation Fee, and other Administrative Fees, if any.

5.05 Termination. If the Contract is terminated as defined in Chapter 2.20, the Purchaser will receive a refund of the Redemption Value of the Contract less a Termination Fee of one hundred percent (100%) of the amount paid into the trust fund, excluding Administrative Fees, said fee not to exceed a maximum of one thousand five hundred dollars (\$1,500).

Chapter 6: Substitution, Assignment, or Transfer

6.01 Substitution of the Qualified Beneficiary. Contract benefits may be transferred to an eligible Substitute Beneficiary upon satisfaction and verification of the following:

- A. A written request for substitution of the Qualified Beneficiary addressed to MPACT;
- B. A written statement and acceptable documentation verifying that the Substitute Beneficiary has been born and is a member of the family of the preceding Qualified Beneficiary (this includes the brother, sister, half-brother, half-sister, stepbrother, stepsister, legally adopted sibling, or a first cousin of the preceding Beneficiary);

- C. The Substitute Beneficiary must meet the residency requirements as defined in Chapter 2.17 and the Rules;
- D. The Substitute Beneficiary must be eighteen (18) years of age or younger;
- E. The Substitute has been born at the time the original Application is submitted;
- F. The Substitute Beneficiary has not yet enrolled in a Postsecondary Institution;
- G. The Substitute Beneficiary has a Projected College Entrance Date that is the same or later than the Projected College Entrance Date of the Qualified Beneficiary;
- H. The substitution is made before the Qualified Beneficiary matriculates in a Postsecondary Institution or utilizes any of the Contract benefits; and
- I. The request for substitution includes payment of a Substitute Beneficiary Administrative Fee of twenty five dollars (\$25) and any Actuarial Assessment calculated by MPACT.

If special permission is granted by MPACT to transfer the Contract benefits to a Substitute Beneficiary whose Projected College Entrance Date is earlier than that of the original Qualified Beneficiary, the Purchaser must pay an Actuarial Assessment calculated by MPACT before the substitution will be made.

6.02 Beneficiary Substitution After Contract Benefits Have Been Utilized by the original Beneficiary. Once a portion of Contract benefits have been used, Beneficiary substitution may be allowed only if the proposed Substitute Beneficiary meets the requirements for substitution as set out in Chapter 6.01, at least fifteen (15) semester hours of tuition benefits remain on the Contract, and the Substitute Beneficiary does not already have an MPACT Contract. A request for Beneficiary substitution must be made prior to graduation from college of the original Beneficiary.

6.03 Change in Purchaser. A request to transfer the Contract benefits from one Purchaser to another shall be submitted, in writing, signed by both the original and new Purchaser, and shall include a twenty five dollar (\$25) Administrative Fee.

6.04 Assignment or Transfer. Except as specifically provided herein, this Contract may not be assigned or transferred, nor may any interest, rights, or benefits in this Contract be assigned or transferred. Under no circumstances may any interest in any MPACT Contract be subject to the pledge or used otherwise as security for a loan, and any agreement to so encumber any Contract shall result in the automatic Termination of that Contract.

Chapter 7: Time for Exercising Contract Benefits

7.01 Advance or Delayed Exercise. Contract benefits may be used for up to ten (10) years after the Projected College Entrance Date of the Qualified Beneficiary, or the actual college entrance date of a Qualified Beneficiary who is an accelerated student, subject to the Rules. The Contract benefits may be used up to three (3) years in advance of the Beneficiary’s Projected College Entrance Date if the Beneficiary is an accelerated student. The Contract, all Administrative Fees, and all Actuarial Assessments must be paid in full before the Contract benefits may be used.

Chapter 8: Administrative Fees

8.01 Administrative Fees. Administrative Fees shall be assessed when an Application is submitted for a Contract, when alterations are made in the ordinary services provided by the MPACT Program, or when the Purchaser makes changes in Contract information. The amount charged for each of these Fees, and the types of Fees, are subject to change during the life of any Contract.

8.02 Fees Assessed. Administrative Fees include, but are not limited to, the following:

A. Application Processing.....	\$60
B. Cancellation (See Chapters 2.03 and 5.04).....	\$150
C. Termination (See Chapters 2.20 and 5.05).....	\$1500
D. Substitute Beneficiary.....	\$ 25
E. Document Replacement.....	\$10
F. Changes in Payment Schedule.....	\$25
G. Account Maintenance Fee: Monthly Payments.....	\$2 monthly
H. Account Maintenance Fee: Lump Sum Payments.....	\$3 annually
I. Change of Purchaser.....	\$25
J. Enrollment in a Private In-State Postsecondary or Graduate Institution or in an Out-of-State Postsecondary or Graduate Institution.....	\$25
K. E-check Contract Payments.....	\$2 per transaction
L. Contract Payments by Credit Card.....	2.9% of transaction
M. Any other Administrative Fees established in the MPACT Program Rules.	

Chapter 9: Matriculation at an Independent/Private In-State, an Out-of-State or Foreign Postsecondary Institution

9.01 General. If the Qualified Beneficiary matriculates in an In-State Independent/Private Postsecondary or Graduate Institution, an Out-of-State

Postsecondary or Graduate Institution, or Postsecondary Institution located outside the United States, the Current Tuition Value shall be forwarded each academic term to the Postsecondary Institution on an academically equivalent hourly basis subject to the provisions of this Contract. However, it is the responsibility of the Purchaser to arrange for the Institution to bill the MPACT Program for Tuition and Mandatory Fees. The Current Tuition Value will be updated annually. The Current Tuition Value forwarded each academic term shall not exceed the cost of undergraduate In-State Tuition plus Mandatory Fees of the Postsecondary Institution.

Chapter 10: Miscellaneous Provisions

10.01 Notices & Changes. All notices, changes, and choices made under the Contract must be in writing, signed by the Purchaser and received by the State Treasurer at the address listed on the Contract, along with any supporting documentation the State Treasurer may reasonably require and any applicable Administrative Fees and/or Actuarial Assessments.

10.02 Additional Fees Charged by Postsecondary Institutions. Postsecondary Institutions may charge fees in addition to the Mandatory Fees described herein. The Qualified Beneficiary will bear the cost of any such additional fees which may include, but are not limited to, health fees, athletic fees, laboratory fees, and orientation fees.

10.03 Identification Card. To receive Contract Benefits, the Qualified Beneficiary may be required to submit a valid Identification Card, issued by MPACT, to the Qualified Beneficiary's Postsecondary Institution. No Contract benefits will be paid unless the Contract is paid in full, including all Administrative Fees and Actuarial Assessments, and the Qualified Beneficiary has provided to MPACT a valid Social Security or Taxpayer Identification Number.

10.04 Limitation of Liability. Any damages recoverable by a Purchaser or Beneficiary pursuant to this Contract shall be limited to the applicable refund amount set forth in Chapter 5 herein and no Board member shall be held liable in his or her individual capacity.

10.05 Annual Statements. The Purchaser shall receive an annual statement from MPACT indicating amounts paid into the Trust Fund.

10.06 Disclaimers. Nothing in the Contract shall be construed as a promise or guarantee by the Board of the College Savings Plans of Mississippi, the State Treasurer, employees or consultants of the State Treasurer and/or Board, or the State of Mississippi that a Qualified Beneficiary:

- A. Will be admitted to a Postsecondary Institution;
- B. Will be admitted to a particular Postsecondary Institution;
- C. Will be allowed to continue to attend a Postsecondary Institution after being admitted; or
- D. Will be graduated from a Postsecondary Institution.

10.07 Promulgation and Amendment of Rules, Regulations & Procedures. The College Savings Plans of Mississippi Board of Directors and/or the State Treasurer, on behalf of the Board, shall promulgate such other Rules as are deemed necessary to implement the MPACT Program and shall amend such Rules as is necessary for the operation of the MPACT Program. Amendments to the Rules and other Contract documents, as well as newly promulgated Rules or other documents, will be incorporated into this Contract.

10.08 Waiver of Rules, Regulations & Procedures. The State Treasurer may waive portions of these Rules to prevent hardship to the Purchaser or Qualified Beneficiary.

10.09 Interpretation. This Contract is to be interpreted under the laws of the State of Mississippi.

10.10 Severability. In the event that any clause or portion of this Contract is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from the Contract and the remainder of the Contract will remain in full force and effect.

10.11 Total Investment Authority Rests with Board. Decisions regarding the investment of Trust Fund assets are within the sole discretion of the Board. *The MPACT Contract only guarantees payment by the Trust Fund of In-State Tuition and Mandatory Fees, as defined herein, on behalf of the Qualified Beneficiary of the MPACT Contract.*