

USING YOUR SCTPP BENEFITS GUIDE

You can use your SCTPP benefits at any South Carolina public university or technical college, as well as at any qualified* public or private college throughout the country.

Your SCTPP contract entitles you to benefits for two years (four semesters) or four years (eight semesters) depending on the type of contract purchased on your behalf. Although you will enroll for a certain number of 'credit hours' at your chosen institution, SCTPP benefits are tracked and deducted from your account in 'semesters', or percentages thereof, **based on the dollar amount billed by the school**. For each term SCTPP is billed, the program will pay an amount up to the **semester payout rate** established each academic year. For any **South Carolina public university** this represents the cost of **in-state tuition and mandatory fees** for full-time enrollment. For any **technical college**, this represents the cost of **in-state in-county or out-of-county tuition and mandatory fees** for full-time enrollment at that particular institution; for an **out-of-state or private institution**, it represents the cost of the **current average tuition and mandatory fees** at South Carolina's public colleges and universities for full-time enrollment. In other words, benefit payments for each academic term will be **capped** at a **"semester payout rate"** for the school you attend, and the benefits deducted from your account will equal one semester if the full semester payout rate is paid **or** a percentage of a semester if less than the semester payout rate is paid. This applies to all billing terms.

State legislative changes taken into effect on July 1, 2008 [S.75 (Rat #0296, Act #0246 of 2008) Section 59-4-120], impact the amount SCTPP pays to State supported schools on the beneficiary's behalf. However, they do not financially impact the beneficiary because the school is required to waive the difference (if applicable).

Refer to www.scprepaid.com, and click on "Tuition Costs & Rate of Return" for school specific payout rates.

Benefit Payment Examples:

#1 If the fall semester payout rate for Winthrop University is \$2,500 and SCTPP is billed for \$2,500 - the full amount billed will be paid and one semester will be deducted from your account, regardless of the number of credit hours for which you are enrolled. As long as the dollar amount billed by the school matches the semester payout rate established for that institution for **full-time enrollment**, **a full semester will be paid** and deducted.

#2 If SCTPP is billed for an amount **less than** the semester payout rate and attendance is **less than full-time** (typically during a **summer term**), **a percentage of a semester** will be calculated and deducted accordingly. Using the same semester payout rate for fall as stated above - if SCTPP is billed for part-time enrollment at \$1,500, SCTPP will pay the \$1,500 and deduct 0.600 of a semester from the account. The portion of a semester deducted is calculated as follows: \$1,500 billed / \$2,500 full-time cost = 0.600 of a semester.

The above examples also apply if you are attending a **quarter** or a **trimester institution**. Because your benefits are deducted based on the dollar amount SCTPP pays, your benefits will be deducted according to the calculations cited above. There are no adjustments or conversions made to deduct a smaller amount of benefits even though your institution does not adhere to a semester system.

Your SCTPP contract terminates when you use the semesters available, when you receive your undergraduate degree, or when you reach the age of 30, whichever occurs first.

HOW TO GET STARTED

To use SCTPP benefits, the account must be paid in full, including payment of all outstanding fees, and we must have a Social Security Number and current address on file for you and the contributor of the account. **It is your responsibility to notify the school's billing office of your intention to use SCTPP benefits each semester.** The SCTPP Identification Card is provided to you for this purpose. If the school has any questions about your eligibility to use SCTPP benefits or the procedures to verify your eligibility, please ask a school representative to call SCTPP at 1-888-772-4723.

No adjustments will be made to your SCTPP account balance for failed courses or hours dropped after an invoice has been paid. If you withdraw from school after registration, you must notify the school's billing office so SCTPP will not be billed. You will be responsible for any fees associated with withdrawal.

DELAYING COLLEGE/DELAYING USE OF BENEFITS

You have until your 30th birthday to use your undergraduate semester units. This deadline may be extended for up to four years if you enter military service. Benefits may be used in advance of the original "projected maturity date" if the beneficiary is an accelerated student or dually enrolled.

ESTABLISHING YOUR ELIGIBILITY FOR SCTPP PAYMENTS

During registration, it is your responsibility to contact the university's billing or financial aid office to establish invoicing for SCTPP. You are responsible for advising them that you are a SCTPP beneficiary, as well as ensuring that the college bills SCTPP for your eligible benefits. **Some schools may require you to provide a copy of your SCTPP Identification Card in order to bill SCTPP for your tuition and fees.** You may also elect not to use your SCTPP benefits for a particular semester's charges if that is in your best interest. In either case, you must communicate your intent with the university's billing office.

SOUTH CAROLINA PUBLIC COLLEGES AND UNIVERSITIES

If you attend a public college or university (including four-year universities, two-year branch campuses, and technical colleges) in South Carolina, SCTPP will pay up to the school's semester payout rate for the number of semesters purchased. The semester payout rate is the equivalent of undergraduate tuition and mandatory fees charged by the school for full-time enrollment for on-campus and in-county or out-of-county students. The semester payout rate will vary by school, and will be adjusted at the start of every academic year. Mandatory fees are those fees required as a condition of enrollment for all students.

Please note that SCTPP will not pay for dormitory expenses, books, meal plans, course specific fees (such as lab fees), course supplies, orientation fees, laundry or uniform fees, parking fees, drop/add fees or any other fees or charges the program did not consider in the determination of the annual contract pricing structure, regardless of how these fees are characterized by the institution.

PRIVATE AND OUT-OF-STATE COLLEGES AND UNIVERSITIES

If you plan to attend a private or out-of-state college or university, you must provide this information to SCTPP so we can ensure the school has the necessary information to request payment on your behalf. You may indicate your school choice by one of the following methods:

- Print the *Intent to Enroll Form* from the "Forms" section of our website, www.scprepaid.com, and fax to 800-519-4652 or mail to SCTPP, PO Box 44289, Jacksonville, FL 32231-4289.
- The Contributor of the account can complete the *Intent to Enroll Form* online at www.scprepaid.com. Click on "Account Login" then enter the out-of-state or private school in the "Benefits Information" section.

Confirmation of your school choice will be mailed to you shortly after you notify the program of the school you are planning to attend. SCTPP will also contact the school to initiate the payment process at that time.

The amount paid to the school will not exceed the semester payout rate established each academic year based on the *current weighted average* tuition and mandatory fees at South Carolina's public colleges and universities. The average tuition and fee rate is adjusted prior to the start of each school year; the most current payout rates are always listed in the "Tuition Costs & Rate of Return" section of our website at www.scprepaid.com. SCTPP will pay the school the weighted average tuition or the actual tuition billed by the school, whichever is less. A processing fee will also be deducted from the payment to an out-of-state college or university each payment term.

PAYMENT TO SCHOOLS

Colleges and universities will bill SCTPP for tuition and mandatory fees after the "drop and add" period, but prior to issuing partial refunds. Payment will be made directly to the school. You will be responsible for any charges imposed by the school that are not covered under your SCTPP contract. **If you withdraw from school after registration but before classes begin, you must notify the university's billing office so that SCTPP will not be billed.** You will be responsible for any fees associated with a withdrawal.

SCHOLARSHIPS AND SCHOLARSHIP REFUNDS

SCTPP contract benefits can only be applied toward the cost of tuition and mandatory fees. Scholarship funding is generally more flexible and may be used to cover costs such as dormitory expenses, meals, laboratory fees, books, etc. Due to the rise in tuition and other fees, in most cases, it takes the SCTPP funding and scholarship funding to pay for the cost of attendance.

Your SCTPP benefits can be held for future use or may be refunded to the Contributor (owner) of the account on a semester-by-semester basis. However, your SCTPP contract terminates when you use the semesters available, when you receive your undergraduate degree, or when you reach the age of 30, whichever occurs first.

SCTPP will issue scholarship reimbursement if it is for the full amount of the tuition and mandatory fee charges for a semester. The amount of the scholarship refund will include either the original purchase price plus the compounded rate of return earned by the Fund **OR** the current weighted average payout rate at colleges and universities in South Carolina, whichever is less. The annual return rates are always available in the "Tuition Costs & Rate of Return" section of our website at www.scprepaid.com.

Benefits will be deducted based on the actual credit hours billed/paid and capped at 16 credit hours.

SCTPP does not issue partial refunds.

It is your responsibility to coordinate billing and payment of SCTPP benefits with the university's billing office when applied in conjunction with a scholarship. Payment from SCTPP can reduce the amount of the scholarship award (including the LIFE Scholarship) in some instances. In the event that you do not properly coordinate your benefits and SCTPP pays the school for tuition expenses also covered by your scholarship award, **the paid benefits will be deducted from your SCTPP contract. The payments made to a school by SCTPP on your behalf cannot be reversed; therefore, it is important that you pay close attention to the invoices you receive from your school.**

If you would like to discuss your options before making the decision to request a scholarship refund, please contact us at 1-888-772-4723.

In order to process a scholarship refund, download the *Scholarship Refund Request Form* from the "Forms" section of our website, www.scprepaid.com, and mail it or fax it to 800-519-4652.

Note: The *Scholarship Refund Request Form* requires additional documentation (see form for details).

BENEFIT USAGE

Your SCTPP account information, including detailed benefit payment and remaining benefits is **always** available online at www.scprepaid.com or you can call us at 1-888-772-4723.

TAXES

You should refer any questions about the tax benefits and liability of SCTPP to your professional tax advisor. SCTPP staff does not provide tax advice or counseling.

FINANCIAL AID

Under current federal guidelines, tuition prepayment plans, including SCTPP, are treated as a parental asset on the Free Application for Federal Student Aid (FAFSA), like 529 savings plans. Most SCTPP accounts are owned by parents and should be reported as a parental asset on the FAFSA. When reporting SCTPP accounts, the account owner should report the total refund value of all SCTPP accounts held by the same owner. To help complete your FAFSA, the FAFSA reporting value is located on the account owner's annual statement or online at www.scprepaid.com by accessing the "Benefits Information" screen of the "Account Login" link, or by calling customer service at 1-888-772-4723. **For more information regarding the effect of the SCTPP contract on your eligibility for financial aid, contact the financial aid office of the college or university you plan to attend.**

* Qualified higher education institutions are those colleges and universities that are eligible to participate in Title IV Programs (receive federal financial aid distributions). The U.S. Department of Education maintains a listing of eligible institutions on its website at www.ed.gov.

This information is intended to be general guidance related to SCTPP. It does not nor is it intended to create a contract or any contractual rights nor does it replace or modify the statutes, rules, or regulations related to this program. SCTPP is created by statutory law and governed by rules and regulations, and the terms and conditions and benefits of the program are prescribed by law. Since these laws and regulations are frequently changed, you may obtain the most current information by contacting SCTPP. No representation made herein or by any program employee, modifies or expands the benefits provided by law.