

Frequently Asked Questions

Who sponsors Independent 529 Plan?

More than 250 private colleges across the nation have joined together to form Tuition Plan Consortium. This not-for-profit organization sponsors Independent 529 Plan, the first private college-sponsored, national, prepaid 529 plan.

Who is the program manager?

Independent 529 Plan is administered by TIAA-CREF Tuition Financing, Inc. (TFI), the country's leading manager of Section 529 programs. TFI provides administrative, service, and marketing support to the program. TFI's affiliate in the TIAA-CREF group of companies, TIAA-CREF Trust Company FSB, is the trustee for the program trust within which Independent 529 Plan is required to hold all program assets. The TIAA-CREF organization is the nation's largest pension fund manager.

What if my child goes to a non-member college, or doesn't go to college?

Additional colleges are joining Independent 529 Plan all the time. However, if your child goes to a college or university that is not participating in Independent 529 Plan, or chooses not to attend college, you have options:

- You can change the beneficiary to another "member of the family," within the federal 529 rules—even yourself! You can leave the account open for future use—for up to 30 years.
- You can get a refund and retain all the tax benefits for the withdrawal portion if used for qualified higher education expenses.
- You can roll over an Independent 529 Plan account tax-free into a state-sponsored 529 plan.

What is the refund policy?

You may receive a refund at any time after the one-year (12 calendar months) anniversary of purchase, adjusted for fund performance. As with any 529 program, if you do not use the money for qualified higher education expenses, any increase in the value of your initial purchase amounts (the difference between your contribution amount and the amount refunded) will be subject to federal income tax as well as an additional 10% tax. If you take a refund, rather than redeem your certificate for its intended purpose, the refund will be adjusted based on the net performance of the Program Trust, subject to a maximum increase of 2% per year and a maximum loss of 2% per year.

How quickly can a certificate be redeemed?

A certificate must be held a minimum of 36 months before it can be redeemed for tuition.

How much can I contribute to Independent 529 Plan?

Because every family's resources are different, Independent 529 Plan offers a number of ways to participate—from prepaying the full cost of several years to paying a set amount each month. The more and earlier you prepay, the greater the percentage of tuition you can lock in at less than today's price. However, you can also elect to participate in an automatic contribution plan by contributing as little as \$25 a month as long as a minimum of \$500 is accumulated within two years of the initial purchase date. The maximum contribution per beneficiary changes annually and is equal to the cost of 5 years of full-time tuition at the most expensive member college for a newborn. For the 2006-2007 program year, that amount is \$171,000.

How do I get more information?

The Independent 529 plan web site—www.independent529plan.org—provides comprehensive information and includes an on-line enrollment feature. Information and applications can also be obtained through the toll free customer service center, **1-888-718-7878**. There are no income or residency restrictions to open an account. The Independent 529 Plan Disclosure Booklet, including the Enrollment Agreement should be read carefully before making purchase decisions.