At a Glance........

The Virginia529 College Saving Plan is...

- An independent state agency
- An administrator of Internal Revenue Code §529 Qualified Tuition Programs
- The country’s largest 529 plan with more than 2.2 million accounts as of October 31, 2012

Investment options:

- Virginia529 prePAID℠
- Virginia529 inVEST℠
- CollegeAmerica®
- CollegeWealth®
**Virginia529 prePAID**

*Virginia529 prePAID* allows families to purchase contracts for future tuition and mandatory fees at Virginia public colleges and universities. Benefits can also be applied at any eligible institution worldwide although full coverage at these institutions is not guaranteed.

**Eligibility**
- Purchaser: age 18 or any legal entity
- Beneficiary: 9th grade or under
- State Residency Requirement

**Benefits**
- Cover future tuition and mandatory fees at Virginia public colleges for normal full-time course load
- May be used at any accredited college eligible to accept federal financial aid worldwide
- Virginia statutory guarantee
New for the 2012-2013 enrollment period- prePAID contracts are available in semester increments

Purchase Options
- Two levels of pricing for contracts –
  - Tier I
  - Tier II

Limited Enrollment Period
December 1, 2012 – March 31, 2013
## 2012-2013 Virginia529 prePAID Pricing & Coverage

<table>
<thead>
<tr>
<th>Level</th>
<th>Price</th>
<th>Four-Year VA Public University / College Coverage</th>
<th>Two-Year / Community VA Public College Coverage</th>
<th>Maximum Semesters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier I – 1 Semester (Newborn - Age 4/5)</td>
<td>$7,325</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier I – 1 Semester (K - 4th Grade)</td>
<td>$7,075</td>
<td>1 Semester</td>
<td>2.6638 Semesters</td>
<td>10</td>
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<tr>
<td>Tier I – 1 Semester (5th - 9th Grade)</td>
<td>$6,825</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier II – 1 Semester (Newborn - 9th Grade)</td>
<td>$2,750</td>
<td>0.3754 Semester</td>
<td>1 Semesters</td>
<td>20</td>
</tr>
</tbody>
</table>

*The prices listed in this chart are for a one time lump sum payment. For additional payment options such as monthly and down payment options, please access the prePAID calculator (*) or contact us toll-free at 1-888-567-0540.

†The conversion ratio applies to all prePAID contracts purchased during the 2012–2013 enrollment period only.
Using Virginia529 prePAID Benefits

For Virginia public schools
- Full coverage of tuition and mandatory fees for normal undergraduate full-time course load *(no coverage of course-specific charges)*

For Virginia private schools
- Payments + actual rate of return
- Cap = highest Virginia public institution

For Out-of-State schools
- Payments + reasonable rate of return
- Cap = average Virginia public institution
Virginia529 inVEST is a direct-sold savings program offering investment portfolios featuring Vanguard and other mutual funds.

Eligibility
- Purchaser: age 18 or any legal entity
- Beneficiary: No age limitations
- No State Residency Requirement

Benefits
- Choose from numerous portfolios
- No monthly obligation
- Account value fluctuates with the market (no guarantee)

Enrollment Open Year Round
Age-Based Evolving Portfolios

- Asset allocation based on beneficiary’s age
- Shift every 3 years toward 100% stable value
- Not required-recommendation only

Non-Evolving Portfolios

- Asset allocation remains fixed

Once per calendar year investment direction change without penalty
May be used at institutions nationwide worldwide
- Any eligible educational institution (must be accredited and eligible to participate in Federal Financial Aid programs)

May be used for:
- Tuition and all required fees
- Room and Board (for students enrolled at least half time)
- Required textbooks and equipment
- Required supplies
- Special needs services
CollegeAmerica is a savings program available through financial advisors, offering a wide selection of American Funds portfolios, one of the largest mutual fund families in the country.

- Broker-sold savings program
- Partnership with American Funds
- Sold exclusively through financial advisers nationwide
- For more information:
  Call: 1-800-421-4120
  Online: Americanfunds.com
CollegeWealth®

CollegeWealth is an FDIC-insured 529 savings account offered through participating banks, including BB&T and Union First Market.

- Partnership with participating financial institutions
  - BB&T
  - Union First Market
- FDIC-insured to the maximum amount allowed by law
- No age limits or state residency requirements
- Enrollment open year round
Tax Advantages

Virginia State Tax Deduction
- $4,000 per account per year
- Only for the account owner
- Unlimited carry-forward

Federal
- Tax-free growth
- Tax-free distributions for qualified higher education expenses
- Favorable gift tax treatment
Change Account Owner
- Only one account owner allowed at a time
- May authorize others to access information

Change Beneficiary
- Must be a “member of the family” of the beneficiary
- 9th grade or under at time of contract purchase (prePAID only)

Transfer
- Within Virginia’s 529 programs
- Another state’s 529 program
- Limitations on # of transfers
Flexibility - Other Options

Hold on to account
- 10 years from high school graduation or from the date the account was opened (if the beneficiary had already completed high school)
- May request an extension

Death, Disability or Scholarship
- Earnings taxed as ordinary income
- Exempt from federal penalty
- Can retain state tax benefits

Cancellation
Flexibility-Cancellation Refunds

prePAID
- Owned 3 years or more – contract payments plus interest
- Owned less than 3 years – contract payments

inVEST, CollegeWealth and CollegeAmerica
- Market value of the account

Implications
- $25 cancellation fee if applicable
- 10% federal penalty on earnings
- Claim earnings as ordinary income-state and federal
- Add back portion of refund deducted on Virginia state taxes
Opening An Account

Go to Virginia529.com

Use Promotional Code

VAPTA

for a $25 application fee waiver. Offer expires 6/30/2013.

Redeemable only for application fee waiver for new online accounts with inVEST℠

NO CASH VALUE