

## **Title 38: Treasurer**

### **Part 3: Mississippi Prepaid Affordable College Tuition Program (Horizon Contracts)**

#### **Part 3 Chapter 1: Introduction**

*Rule 1.1 Introduction.* The Mississippi Prepaid Affordable College Tuition (MPACT) Program was established by the 1996 Mississippi Legislature. The purpose of the Program is to encourage and foster higher education in Mississippi. The Program's statutory authority and purpose are controlled by Sections 37-155-1 to 37-155-27 of the Mississippi Code (As Amended).

MPACT is administered by College Savings Mississippi, a division of the Office of the State Treasurer, under the administrative authority of the State Treasurer and with the guidance of a Board of Directors. The MPACT Contract provides for the payment of undergraduate tuition, for a specified number of semester hours, and for the payment of Mandatory Fees, for a specific number of academic terms, on behalf of a Beneficiary for whom the Contract is purchased.

The cost of an MPACT Contract is based primarily on the average current and projected Tuition and Mandatory Fees rates at public senior colleges, universities, community colleges in the State of Mississippi, and on the number of years between the purchase of a Contract and the utilization of Contract benefits. The Board of Directors establishes the costs of MPACT Contracts in accordance with actuarial assumptions adopted by the Board at the recommendation of independent actuaries.

The State of Mississippi also operates another college savings program, known as the Mississippi Affordable College Savings (MACS) Program. This document is intended to describe and apply to only the MPACT Program. Information on MACS can be obtained by contacting the Office of the State Treasurer.

Source: *Miss. Code Ann.* § 37-155-1 through 37-155-27 (Rev. 2003)

#### **Part 3 Chapter 2: Administration**

*Rule 2.1 Administration.* MPACT is administered by the Office of the State Treasurer under the direction of a Board of Directors. The College Savings Plans of Mississippi Board of Directors is composed of nine (9) voting members. Five (5) board members are appointed by the Governor, one (1) from each of the State's original congressional districts. The other four (4) *ex-officio* board members are the State Treasurer, the Executive Director of the Department of Finance and Administration, the Commissioner of Higher Education, and the Executive Director of the Community and Junior College Board. There are also four (4) legislative advisors to the Board, two (2) appointed by the Lieutenant Governor and two (2) appointed by the Speaker of the House of Representatives.

The powers of the Board are outlined in Sections 37-155-1 to 37-155-27 of the Mississippi Code (As Amended).

Source: *Miss. Code Ann.* § 37-155-7, §37-155-9 (Rev. 2003).

### **Part 3 Chapter 3: Trust Fund**

*Rule 3.1 Trust Fund.* The MPACT Trust Fund was established as a separate fund in the State Treasury to receive payments by MPACT Contract Purchasers in accordance with MPACT Contracts, legislative appropriations, as well as contributions, gifts and bequests by businesses or individuals. All monies deposited into this Trust Fund are invested by the Office of the State Treasurer in accordance with statute and the Investment Policy of the Board, with the goal of yielding sufficient income to generate the difference between the prepaid amount and the cost of In-State Tuition and Mandatory Fees at the time of actual enrollment of the Beneficiary.

Source: *Miss. Code Ann.* § 37-155-15.

### **Part 3 Chapter 4: Administrative Fund**

*Rule 4.1 Administrative Fund.* An Administrative Fund, separate from the Trust Fund, was established in the State Treasury to provide for the administrative costs of the MPACT Program. The Mississippi Legislature must appropriate an annual transfer from the earnings of the Trust Fund to the Administrative Fund to provide for the administrative costs of the Program for that fiscal year. In general, Administrative Fees or penalties paid by Contract Purchasers are transferred to the Administrative Fund and are used to defray the administrative costs of the Program.

Source: *Miss. Code Ann.* § 37-155-15.

### **Part 3 Chapter 5: Definitions**

#### *Rule 5.1*

- A. Academic School Year – Three (3) quarters or two (2) semesters of a twelve (12) month school year.
- B. Actuarial Assessment - An additional Contract amount assessed by MPACT to preserve the actuarial soundness of the Trust Fund.
- C. Administrative Fees - Fees, listed in Chapter 10, which are either build into contract pricing or assessed to the MPACT Contract Purchaser upon application for enrollment in the MPACT Program; upon making changes in the ordinary services provided under the MPACT Program; or upon making changes in MPACT Contract information provided to the State Treasurer. Administrative Fees include any other fees designated as administrative by the State Treasurer. Administrative Fees are nonrefundable and are deducted from Contract payments before calculation of the Redemption Value.

- D. Application - A request for enrollment in the MPACT Program, made on the official Application form or made by completing the online Application accessible on the MPACT website.
- E. Application Processing Fee - Fee, specified in Chapter 10.02, paid by the MPACT Contract Purchaser upon Application for enrollment in the MPACT Program.
- F. Cancellation - Voluntary discontinuation of the Purchaser's Contract 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 MPACT Program and has submitted all applicable Administrative Fees.

An MPACT Contract may also be Involuntarily Cancelled for any of the following:

1. Purchaser fails to make payments pursuant to the Master Contract and/or the Participation and Payment Schedule; Purchaser fails to make a Contract payment within forty-five (45) days of the first Contract payment due date.
  2. Contingent Purchaser - Person who is named by the Contract Purchaser on the MPACT Application or subsequent request, who will assume all duties and responsibilities of the Contract Purchaser in the event of the Contract Purchaser's death. The Contingent Purchaser must meet the same eligibility requirements as the Contract Purchaser.
- G. Contract Purchaser - Any adult person, corporation, trust, charitable organization or other Entity eligible to purchase an MPACT Contract, and who is obligated to make MPACT 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.
  - H. Current Tuition Value - Weighted average of undergraduate In-State Tuition and Mandatory Fees at four-year Postsecondary Institutions for university Contracts; and the weighted average of In-State Tuition and Mandatory Fees at two-year Postsecondary Institutions for community college Contracts.
  - I. Disability of the Purchaser - A disability as defined in the applicable rules, regulations, and guidelines of the Social Security Administration.
  - J. 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 postsecondary education.
  - K. Enrollment Period - Any period designated by the Board in which Applications for enrollment in the MPACT Program will be accepted by the State Treasurer.

- L. Entity - A trust corporation (including an IRC 501(c)(3) organization) or other types of entities with a valid TIN, a custodian under Mississippi Uniform Transfers to Minors Act or similar provisions adopted by another state (“UTMA/UGMA”) with a valid Social Security Number or TIN, or a state or local government agency which meets the federal and state legal requirements governing the MPACT Program.
- M. Independent/Private In-state Postsecondary Institution - Any in-state regionally accredited private four (4) or two (2) year college located in Mississippi.
- N. In-state Tuition Rate – The standard undergraduate tuition rate charged to a student who meets the in-state residency requirements established by the Board of Trustees of State Institutions of Higher Learning or the individual school attended by the student. The in-state tuition rate does not include specialty courses of study if the specialty course’s tuition rate exceeds the postsecondary Institution’s standard undergraduate tuition rate. See Rule 9.2.
- O. IRC § 529 – Section 529 of the Internal Revenue Code of 1986 (As Amended).
- P. MACS Program - The Mississippi Affordable College Savings Program.
- Q. 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 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 application entrance fees paid to Postsecondary Institutions when the Qualified Beneficiary applies for enrollment, or orientation fees.
- R. Master MPACT Contract - The legal document which specifies the terms and conditions of the MPACT Program.
- S. MPACT Contract (Contract) - Refers collectively to the MPACT Application, the Master MPACT Contract, the Rules, Regulations and Procedures, and the Participation and Payment Schedule. Additional documents relating to the MPACT Contract, issued or received by the State Treasurer, and pursuant to the various terms and conditions described, will be incorporated into the MPACT Contract.
- T. Official Change Period - The first sixty (60) days after the first Contract payment due date. During this period 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 MPACT Application, the Master MPACT 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 State Treasurer or his/her designee.

- U. Out-of-State Postsecondary Institution -Any out-of-state regionally accredited private four (4) or two (2) year college, or an out-of-state regionally accredited, state-supported, nonprofit four or two year college.
- V. Participation and Payment Schedule - The document, prepared by the MPACT Program, which defines the frequency, duration, and due date of MPACT Contract Payments, based on information provided by the Purchaser on the MPACT Application.
- W. Postsecondary Institution - An accredited public educational associate of arts or baccalaureate degree-granting Postsecondary Institution, or a private independent associate of arts or baccalaureate degree-granting college or university, or an out-of-state associate of arts or baccalaureate degree-granting college or university.
- X. Projected Enrollment Year - 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, subject to the provisions of Chapters 9.02, 9.03, and 9.05 herein. The Projected Enrollment Year is established based on information provided by the Purchaser on the MPACT Application.
- Y. Qualified Beneficiary - An individual who meets all Beneficiary eligibility criteria as specified in Chapter 7.00 and who is designated by the Purchaser of an MPACT Contract to be the recipient of MPACT Contract benefits. All references to the Contract Beneficiary within these Rules, Regulations and Procedures assume that the Beneficiary meets the Beneficiary eligibility requirements of MPACT, and is, therefore, a Qualified Beneficiary.
- Z. Qualified Tuition Plan - A college savings plan operated by a state or an instrumentality of a state that qualifies under IRC § 529. QTP's may also be called "529 Plans." The Board has established two qualified programs: the Mississippi Prepaid Affordable College Tuition (MPACT) Program and the Mississippi Affordable College Savings (MACS) Program.
- AA. Redemption Value - The amount refunded to a Purchaser will 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. The Board may impose reasonable charges for such withdrawal or refund. All relevant Administrative Fees, including, but not limited to, Cancellation Fees, Termination Fees and Account Maintenance Fees, will be deducted from Contract payments before calculation of the Redemption Value.
- BB. Resident - A person who has established legal residence in the State of Mississippi, that is, the place where the person actually resides with the intention of remaining there

indefinitely or of returning there permanently when temporarily absent. A Beneficiary is considered a Resident for purposes of Tuition regardless of the Beneficiary's residence on the date of enrollment in a Postsecondary Institution. This provision only applies to nonresident Beneficiaries if (a) the original Purchaser was the parent, grandparent or legal guardian of the Beneficiary; or (b) the Beneficiary was a resident of Mississippi at the time the Contract was purchased.

CC. Rollover - A transfer between QTP's, as allowed under IRC § 529.

DD. Scholarship, Partial Scholarship or Full 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.

EE. Termination - Involuntary discontinuation of the Purchaser's MPACT Contract and involuntary discontinuation of the Qualified Beneficiary's rights to receive benefits under an MPACT Contract. An MPACT Contract may be Involuntarily Terminated for any of the following reasons:

1. The Purchaser or Beneficiary has made a material misrepresentation of information;
2. The Purchaser or Beneficiary has provided false information to the MPACT Program;
3. 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;
4. Such other reasons as the State Treasurer may reasonably impose.

FF. UTMA or UGMA - The Uniform Transfer to Minors Act or the Uniform Gift to Minors Act.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 6: Contract Purchaser**

*Rule 6.1 Eligibility of Contract Purchaser.* The Purchaser must be of legal age and capacity to enter into a legal Contract. If the Qualified Beneficiary is a resident of Mississippi as defined in Rule 5.1BB, the Purchaser need not be a resident. If the Qualified Beneficiary is not a Resident of Mississippi, the Purchaser must be a Resident of the State as defined in Rule 6.1DD. Other determinations may be mandated as set forth in Chapter 18.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 6.2 Nonacceptance of the Purchaser's Application.* A prospective Contract Purchaser may be denied the right to enter into an MPACT Contract:

- A. If the Purchaser does not meet the qualifications set forth in Chapter;
- B. If the MPACT Contract violates local, state, or federal laws;
- C. If the proposed Beneficiary is not a Qualified Beneficiary in accordance with Chapter 7;
- D. If the Board determines that it is advisable to limit the number of MPACT Contracts;
- E. If the Contract Purchaser fails to submit the MPACT Application during an official MPACT Enrollment Period;
- F. If the Contract Purchaser fails to submit the Application Processing Fee;
- G. If the Contract Purchaser submits an Application with incomplete information; or
- H. Such other reasons as may be determined by the State Treasurer or the Board.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 6.3 Number of Purchasers Per Contract.* Only one (1) individual may be named on the MPACT Application and on the MPACT Contract as the MPACT Contract Purchaser. Joint Purchasers are not permitted. However, if a given application and current Contract purchases equals less than five (5) years of Tuition on behalf of a given Qualified Beneficiary, other persons who qualify as Purchasers as defined herein may purchase an additional Contract(s) for the same Qualified Beneficiary, provided that the total number of years of Tuition purchased for the Qualified Beneficiary does not exceed five (5) years as defined in Chapter 9. Each year or multiple of years purchased by a different Purchaser for the same Qualified Beneficiary will be treated as a separate Contract. A Purchaser may change, add, or delete the designated Contingent Purchaser on the MPACT Application or after the MPACT Contract is purchased by submitting a request in such form as deemed acceptable by the State Treasurer.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 6.4 Change of Contract Purchaser and Contingent Purchaser.* All requests to transfer ownership of the MPACT Contract to a different Purchaser must be submitted, in writing, to the State Treasurer. The request must contain the signatures of both the current Purchaser and the Purchaser to whom ownership of the Contract is being transferred, unless the Purchaser has died or become disabled and cannot furnish a signature.

If the current Purchaser has died, the Contingent Purchaser listed on the Contract will be named Purchaser once proof of death is received in such form deemed acceptable by the State Treasurer and the designated Contingent Purchaser acknowledges that he/she accepts the responsibilities of the original Contract Purchaser. In the event the MPACT Contract does not have a Contingent

Purchaser listed, proof of death, in such form as deemed acceptable by the State Treasurer, must accompany the written request for a change in Purchaser in lieu of the current Purchaser's signature.

If the Purchaser has not designated a Contingent Purchaser, becomes disabled and cannot furnish a signature, proof of disability, in such form as deemed acceptable by the State Treasurer, must accompany the written request for a change in Purchaser in lieu of the current Purchaser's signature.

The request must be accompanied by the applicable Administrative Fee(s) as described in Rule 10.1 and Rule 10.7. See Rule 7.3 for additional restrictions applicable to UTMA/UGMA accounts.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 6.5 No Direction of Investments.* A Purchaser or Beneficiary of an MPACT Contract may not directly or indirectly direct the investments of their contribution to the Program or any earnings thereon.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 6.6 No Pledging of Interest as a Security.* No interest in an MPACT Contract or any portion thereof may be pledged as security for a loan.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 7: Qualified Beneficiary**

*Rule 7.1 Beneficiary Eligibility.* 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 as defined in Rule 5.1BB; or (b) a nonresident if the Purchaser is a resident of the State of Mississippi.
- B. The individual is eighteen (18) years of age or younger on the first day of the MPACT Enrollment Period in question;
- C. The individual has been born at the time the Application is submitted;
- D. The individual must not have yet enrolled at a Postsecondary Institution.

A Beneficiary may be a U.S. citizen, a permanent resident alien, or a dependent of a U.S. citizen or of a permanent resident alien.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 7.2 Evidence of Residency.* A Contract Purchaser must execute a statement in the MPACT

Application that the Beneficiary is a Resident of Mississippi or, if the Beneficiary is a nonresident, that the Purchaser is a Mississippi resident.

Purchasers may be asked to furnish proof of the Beneficiary's residency. Failure to provide proof of the Beneficiary's residency may result in automatic Termination of the MPACT Contract and suspension of the Qualified Beneficiary from the MPACT Program.

Submission of any of the following documents, upon request, will be considered as sufficient to establish the residency status of the Qualified Beneficiary:

- A. If the Beneficiary is one year old or younger:
  - 1. A birth certificate indicating that the Qualified Beneficiary was born in Mississippi;
  - 2. Or any other documentation that the State Treasurer deems appropriate.
- B. If the Beneficiary is over the age of one:
  - 1. A birth certificate indicating that the Qualified Beneficiary was born in Mississippi;
  - 2. A progress report from the Mississippi preschool or Mississippi day care center of the Beneficiary; or
  - 3. A school report card or transcript from a Mississippi public or private school.

For Purchasers who are in the United States Military and are stationed outside of Mississippi, military documents evidencing that Mississippi is their home of record will satisfy the provisions of this Chapter.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 7.3 UTMA or UGMA Accounts.* The MPACT Trust Fund may receive amounts transferred from an UGMA, UTMA or other account established for the benefit of a minor. It is the responsibility of the Purchaser to comply with all relevant Federal or state laws regarding UTMA or UGMA accounts. Purchasers should be mindful of the following UTMA restrictions:

- A. The custodian will be required to sign the MPACT Application Form in the custodian's representative capacity as a custodian;
- B. The custodian is not allowed to change the Beneficiary of a Contract (directly or by means of a Rollover Distribution);
- C. The custodian is not allowed to change the Purchaser of a Contract from the custodian to anyone other than a successor custodian without providing MPACT with a court order directing the change;

- D. The custodian must complete an UTMA/UGMA form in addition to the MPACT Application Form;
- E. The custodian is required to notify MPACT when the Beneficiary is legally entitled to take control of the account. At that time, the Beneficiary would be able to conduct the same account transactions as non-UTMA/UGMA Purchasers;
- F. The custodian is allowed to request a refund only in accordance with the UGMA/UTMA rules, which may indicate that any funds withdrawn must be used for the benefit of the Beneficiary.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 8: Application**

*Rule 8.1 MPACT Enrollment Period.* An MPACT Contract may be purchased during a valid Enrollment Period. The Enrollment Period shall commence and terminate on dates set by the Board.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 8.2 Application.* Any individual desiring to enter into an MPACT Contract on behalf of a Qualified Beneficiary must submit a completed Application to the State Treasurer. The Application will be considered incomplete and will not be accepted unless it is accompanied by the Application Processing Fee described in Rule 10.3.

By completing the Application and submitting the Application Processing Fee, the Purchaser is making application to enter into an MPACT Contract. The MPACT Application will become part of the formal Contract between the MPACT Program on behalf of the Board and the Purchaser. After review and acceptance of the Application by the State Treasurer, the Purchaser will be mailed a Participation and Payment Schedule. Both of these documents become part of the formal Contract between MPACT and the Purchaser.

To be complete, an Application must be accompanied by the Application Processing Fee and must contain all of the information that the State Treasurer determines is necessary for proper administration of the enrollment process. The MPACT Contract will be valid at such time as the State Treasurer accepts the Purchaser and Beneficiary into the Program and transmits a Participation and Payment Schedule to the Purchaser.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 8.3 Naming the Qualified Beneficiary.* Unless specifically exempted by the State Treasurer a Purchaser must name the Qualified Beneficiary in the MPACT Application at the time the Application is submitted. Only one (1) Qualified Beneficiary is allowed per MPACT Contract.

The Purchaser does not have to designate the Postsecondary Institution that the Beneficiary will

attend until such time as the Qualified Beneficiary matriculates and in accordance with Rule 9.6. If more than one (1) Purchaser has submitted an Application for the same Beneficiary, the State Treasurer will determine which Application is accepted on behalf of the Qualified Beneficiary. Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 9: The MPACT Contract**

*Rule 9.1 General.* The MPACT Contract shall consist of the completed Application, the Master MPACT Contract, and the Participation and Payment Schedule. Additional documents, as described in Rule 5.15S, will be incorporated into the MPACT Contract.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.2 Contract Benefits.* The MPACT Contract guarantees, unless otherwise stated herein, payment by the Trust Fund of Standard In-State Undergraduate Tuition and Mandatory Fees on behalf of the Qualified Beneficiary of the MPACT Contract, to the Postsecondary Institution in which the Qualified Beneficiary matriculates.

The MPACT Contract guarantees the following:

- A. Payment of Standard In-State Undergraduate Tuition of not more than five (5) years (156 semester hours);
- 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 156 semester hours or the academic equivalent units on a quarter system of other academic term basis.

Any credit hours paid by the Trust Fund on behalf of a Qualified Beneficiary reduce the remaining available credit hours under the MPACT Contract. Even if the credit hours paid by the Trust Fund on behalf of the Beneficiary are not counted by the Beneficiary's Postsecondary Institution toward a college degree, the credit hours paid by the MPACT Trust Fund will, nevertheless, decrease the remaining number of credit hours available for utilization under the MPACT Contract.

Should the Purchaser cancel the Contract and request a refund subsequent to the payment of any Tuition on the behalf of the Beneficiary, but before total usage of the Contract benefits as described above, partial usage will be calculated based on the number of credit hours used and the per credit hour charge originally paid by the Purchaser for purposes of establishing the refund amount due.

The MPACT Contract does not cover full tuition for specialty courses of study if the specialty course's tuition rate exceeds the Postsecondary Institution's standard undergraduate tuition rate. If the specialty course's tuition rate exceeds the Institution's standard undergraduate tuition rate, MPACT will pay an amount equal to the Postsecondary Institution's standard undergraduate tuition rate for the number of semester hours in which the qualified beneficiary is enrolled. The beneficiary's Contract benefits will be reduced based on the number of hours paid on behalf of

the Beneficiary.

The MPACT Contract does not cover fees and costs related to dormitory housing or any other type of housing. The MPACT Contract does not cover meals, books, transportation, supplies, college application or entrance fees, or orientation fees. The Contract also does not cover miscellaneous fees such as health fees, athletic fees, fraternity or sorority fees, or laboratory fees unless these fees qualify as Mandatory Fees as defined in Rule 5.1Q. No graduate program, continuing education program, professional degree program, or adult education program is available under the MPACT Contract except as described in Rule 11.1. The MPACT Contract covers only those costs and fees specified herein.

The benefits of an MPACT Contract may not be used unless all Contract payments, Actuarial Assessments, and any outstanding Administrative Fees have been paid, and the social security number of the Qualified Beneficiary has been provided to the State Treasurer.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.3 Earliest Availability of Contract Benefits.* In general, the earliest a Qualified Beneficiary may receive benefits under an MPACT Contract purchased during any Enrollment Period will be the Projected Enrollment Year of the Qualified Beneficiary as provided in the MPACT Contract, unless the Beneficiary is an accelerated student. In the event that the Beneficiary is an accelerated student, the MPACT Contract may be used, with no penalty or additional Contract cost, within three (3) years in advance of the Projected College Entrance Date of the Qualified Beneficiary. Proof that the Beneficiary is an accelerated student must be provided in such form and detail as required by the State Treasurer.

The MPACT Contract and any outstanding Actuarial Assessments and Administrative Fees should be paid in full to advance utilization of the Contract benefits prior to the Beneficiary's Projected College Entrance Date. However, utilization of the Contract benefits prior to the Beneficiary's Projected Enrollment Year will not be available unless such early utilization is deemed actuarially feasible.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.4 Beneficiary's Projected Enrollment Year.* At the time of Application, the Projected Enrollment Year is calculated based on information provided by the Purchaser on the MPACT Application.

If the Beneficiary is held back or advances after the MPACT Contract is purchased and an account has been established, there will be no adjustment in the Qualified Beneficiary's Projected Enrollment Year.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.5 Contract Term.* In general, benefits under an MPACT Contract may be received for up to an eight (8) year period after the Projected College Entrance Date of the Qualified Beneficiary. If the Beneficiary, however, is an accelerated student, the MPACT Contract

benefits may be used for up to eight (8) years after the actual college entrance date of the Qualified Beneficiary who is an accelerated student.

Prior to the expiration of the eight (8) year benefit period, as long as an MPACT Contract has not been Terminated or Cancelled and is not in default, a Purchaser may request an extension of the time allowed to exercise rights under the Contract only if the Beneficiary has not been able to fully utilize benefits due to active service in a branch of the United States Military. If approved, the extension of benefits will not exceed the number of years of military service. The Purchaser must submit a written request at least one hundred and eighty (180) days prior to the expiration of the eight (8) year benefit period, the Contract must have thirty two (32) semester hours remaining in benefits, and the Purchaser must pay a non-refundable renewal fee equal to 5% of the original Contract price, assessed at the time of request for extension of the Contract term. If the request is granted, an Actuarial Assessment may be assessed to protect the actuarial soundness of the Trust Fund. The Contract extension will be valid for one (1) year from the Contract expiration date.

If an MPACT Contract has not been Cancelled or Terminated, and if the Qualified Beneficiary's rights under the Contract have not been fully exercised within eight (8) years from the Projected College Date of the Qualified Beneficiary, or from the actual college entrance date of an accelerated student, all Contract rights are Terminated, and no refunds are available. The money will revert to the Trust Fund.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.6 Notification of Intent to Receive Educational Benefits.* At such time as the Qualified Beneficiary intends to begin using the benefits under the MPACT Contract to attend a Private or Out-of-State Postsecondary Institution, the Contract Purchaser must submit written notification, including the name of the Postsecondary Institution the Beneficiary will attend, not less than sixty (60) days prior to the projected commencement date for utilization of Contract benefits by the Qualified Beneficiary. Failure to provide at least sixty (60) days advance notice may result in a delay in the availability of the MPACT Contract benefits until the academic term immediately following the term in which the projected commencement date for utilization of the MPACT Contract benefits falls.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.7 Identification Cards for Qualified Beneficiaries.* A Qualified Beneficiary, whose Contract is in good standing, will be issued an identification card prior to their scheduled matriculation date. An identification card may not be issued to a Beneficiary unless the MPACT Contract and any outstanding Administrative Fees have been paid in full. An identification card shall not be issued unless the Qualified Beneficiary submits a valid social security number. The Postsecondary Institution in which the Qualified Beneficiary has enrolled may request that the Beneficiary present an identification card to verify the student has an MPACT account.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.8 MPACT Contract Prices.* New MPACT Contract prices will be established by the Board

for each Enrollment Period. Contract prices will be based on actuarial assumptions recommended by the Program's retained actuary and adopted by the Board regarding Tuition rates and other relevant factors. MPACT Contract prices will not include the Application Processing Fee. The Contract price may include a non-refundable Account Maintenance Fee in accordance with Rule 10.4.

After a Purchaser has entered into an MPACT Contract, the Contract price will not change, unless otherwise specified herein. Establishment of new prices for future MPACT Enrollment Periods will not affect or change the pricing of MPACT Contracts purchased during previous Enrollment Periods.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.9 MPACT Contract Payments.* MPACT Contract payments are due in full on the dates specified in the MPACT Contract. Contract payments may be made under the following payment options, chosen by the Purchaser at the time of application into the MPACT Program:

- A. A lump sum payment due in full on or before the date designated by the State Treasurer.
- B. Continuous monthly payments beginning on a date specified by the State Treasurer and continuing on a monthly basis until no later than the summer of the Projected Enrollment Year of the Qualified Beneficiary.
- C. A down payment (partial lump sum) followed by continuous monthly payments beginning on a date specified by the State Treasurer and continuing on a monthly basis until no later than the summer immediately preceding the Projected Enrollment Year of the Qualified Beneficiary.
- D. A series of annual payments beginning on a date specified by the State Treasurer and continuing on an annual basis.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.10 Involuntary Cancellation After Payment Delinquency of 180 Days.* If a Contract is delinquent for 210 days, the Contract will be Involuntarily Cancelled and the Purchaser will receive a refund as per provisions in Rule 10.5.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.11 Reinstatement.* If after 180 days of default payment is not received, the Contract will be placed in suspended status. After being placed in suspended status, the account will then be involuntarily discontinued in accordance with Rule 9.10. To return the account to active status, the Purchaser must either pay the delinquent amounts, including Assessments and Fees, or agree to change the Contract or payment terms (see Rules 9.12 through 9.15) in order to convert the account to some arrangement where they will not be delinquent. All delinquent amounts must be paid before the involuntary Cancellation refund is issued. The Purchaser may also elect to voluntarily cancel the Contract as described in Chapter 12.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.12 MPACT Contract Modifications.* All requests by Contract Purchasers for a modification of the Contract provisions must be submitted in writing and must be accompanied by any written documentation which the State Treasurer may reasonably request and deem sufficient, along with all applicable Administrative Fees.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.13 Changes in Payment Schedule.* An MPACT Contract Purchaser may request a change in payment schedule any time during the MPACT Enrollment Period in which the Purchaser enters the MPACT Program and extending through the tenth day of the month in which the first payment is due for monthly Purchasers, or in which the onetime, lump sum payment is due for lump sum Purchasers. A request for a change in payment schedule must be submitted, in writing, to the State Treasurer and must be received by the State Treasurer within the time frame specified herein. A change in payment schedule at any other time may require the MPACT Contract Purchaser to cancel their existing MPACT Contract and to purchase a new Contract during a subsequent MPACT Enrollment Period. Purchasers electing a monthly payment plan may pay off the plan early.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.14 MPACT Contract Payment Methods.* Any one of a variety of payment methods is available to an MPACT Contract Purchaser. These methods may include, but are not limited to, coupon book, ACH (Automatic Clearing House), or payroll deduction. A Purchaser may change payment method after submitting a written request to the State Treasurer.

Automatic payroll deduction may be provided for State employees. Any other employer desiring to establish automatic payroll deduction for MPACT Contract Purchasers may do so as long as the payroll deduction is administered in accordance with specifications provided by the State Treasurer.

Contract Purchasers electing payment by coupon book will be responsible for making all payments on time, even if the Purchaser has not received a coupon book. Similarly, a Purchaser will be responsible for making all payments on time, prior to implementation of payroll deduction or automatic deduction from a checking or savings account. Any Purchaser who delays payment beyond the payment due date until a coupon book has been issued or until payroll deduction or automatic bank deduction has been implemented may be assessed late payment fees and an Actuarial Assessment.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.15 Contract Modifications Other Than Changes in Payment Schedule.* All requests for modification(s) in the MPACT Contract must be made, in writing, to the State Treasurer and must be submitted along with any applicable Administrative Fees and any supporting written documentation required by the State Treasurer.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.16 Contract Exclusions.* Nothing in these Rules, Regulations and Procedures, in the MPACT Contract, or in the Mississippi Prepaid Affordable College Tuition Program Act shall be construed as a promise or guarantee by the State Treasurer, the Board of Trustees, or employees or consultants of the State Treasurer and/or the Board of Trustees, of any of the following:

- A. Admission of the Qualified Beneficiary to a Postsecondary Institution;
- B. Admission of the Qualified Beneficiary to a particular Postsecondary Institution;
- C. Authorization to the Qualified Beneficiary to continue enrollment at a Postsecondary Institution after admission;
- D. Graduation of the Qualified Beneficiary from a Postsecondary Institution.

No continuing education course, graduate program, first professional program, or adult education program is available under the MPACT Program except as described under Rule 11.1.

Tuition and Mandatory Fees paid under an MPACT Contract will be In-State Tuition and In-State Mandatory Fee charges only. The State Treasurer, the MPACT Program, and the Trust Fund are not responsible for payment of the difference between In-State and Out-of-State tuition and fee rates. MPACT will not pay Tuition charges or Mandatory Fee charges at a rate in excess of the rate charged to students who are eligible for In-State Tuition and Mandatory Fee rates. All MPACT Beneficiaries are considered Mississippi Residents for purposes of Tuition payments regardless of the Beneficiary's residence on the date of college enrollment.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 9.17 Transfers Between Senior and Junior College Plans.* If a Beneficiary under a junior college plan elects to attend a university or senior college, the MPACT Program will convert the community college hours into university hours based on the then current relative costs and pay the Tuition. This results in fewer hours on the Contract but enables the Program to pay university Tuition until benefits are exhausted.

If a Beneficiary under a university or senior college plan elects to attend a junior or community college, the Purchaser may request a refund of the difference between the amount actually paid by MPACT to the junior or community college and the weighted average Tuition and Mandatory Fees at Mississippi's public universities in that year.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003), § 37-155-11.

### **Part 3 Chapter 10: Administrative Fees**

*Rule 10.1 Administrative Fees.* Administrative Fees are either built into Contract pricing or

assessed to the MPACT Contract Purchaser upon application for enrollment in the MPACT Program; upon making changes in the ordinary services provided under the MPACT Program; or upon making changes in MPACT Contract information provided to the State Treasurer. Administrative Fees include any other fees designated as administrative by the State Treasurer. Administrative Fees are nonrefundable and are deducted from Contract payments before calculation of the Redemption Value. The types of fees as well as the amount charged for each are subject to change during the life of any MPACT Contract.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.2 Fees Assessed and Fee Schedules.* Administrative Fees and fee schedules will apply to all Purchasers of MPACT Contracts, subject to changes the Board may make over the life of the Contract in the types and/or amounts of such Administrative Fees.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.3 Application Processing Fee.* A sixty dollar (\$60.00) Application Processing Fee will be collected for each MPACT Application at the time that the Application is submitted to the State Treasurer. An Application will not be accepted unless the full amount of the Application Processing Fee is submitted along with the Application.

In general, the Application Processing Fee is nonrefundable. The Application Processing Fee will only be refunded if the MPACT Application is rejected and the Purchaser is denied participation in the MPACT Program through no fault of the Purchaser.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.4 Account Maintenance Fee.* All MPACT Contract payments include a nonrefundable Account Maintenance Fee. The Account Maintenance Fee is 5% of the specific Contract price being purchased by the Purchaser. The Account Maintenance Fee is utilized to pay the MPACT Program's administrative expenses. Refunds of amounts paid into the Trust Fund may not be available until the Purchaser has paid more than the Account Maintenance Fee into the Fund for their specific plan type.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

Rule 10.5 Cancellation Fee - An MPACT Contract may be Cancelled for any of the following:

- A. The Purchaser submits a written request.
- B. The Purchaser fails to make payments pursuant to the Master MPACT and/or the Participation and Payment Schedule.
- C. 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 MPACT Application was submitted.

Fifty percent (50%) of the amount paid into the Trust Fund, up to a maximum of one hundred fifty dollars (\$150.00), excluding Administrative Fees, will be assessed upon the Cancellation of an MPACT Contract. The Cancellation Fee will be waived in the event of death or disability of the Qualified Beneficiary or with proof of scholarship.

In the event of death or disability of the Qualified Beneficiary, the Purchaser must submit acceptable documentation along with a written request at the time of application for a refund.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.6 Involuntary Termination Fee.* 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.

If the MPACT Contract is Terminated, a Termination Fee of one hundred percent (100%) of the amounts paid into the Trust Fund, excluding Administrative Fees, up to a maximum of five hundred dollars (\$1,500.00) will be assessed. Any refund due to the Purchaser of amounts paid into the Trust Fund, in the event of Termination of the MPACT Contract, is addressed in Rule 13.6.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.7 Fee for Change of Contract Purchaser and Contingent Purchaser.* A twenty five dollar (\$25.00) fee will be assessed to change of the MPACT Contract Purchaser and/or Contingent Purchaser in accordance with the provisions of Rule 6.3 herein. In the event of death or disability of the current Purchaser, this fee may be waived.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.8 Fee for Enrollment in Independent/Private In-State Postsecondary or Graduate Institution or in Out-of State Postsecondary or Graduate Institution.* In the event a Qualified Beneficiary elects to attend an Independent/Private In-State Postsecondary or Graduate Institution or an Out-of-State Postsecondary or Graduate Institution, or in the event a Qualified Beneficiary transfers from an In-State Institution of Higher Education Postsecondary or Graduate Institution to an Independent/Private In-State Postsecondary or Graduate Institution or to an Out-of-State Postsecondary or Graduate Institution, the Contract benefits will be transferred to such other Postsecondary or Graduate Institution in accordance with the provisions of Chapter 11. Each time a transfer occurs, the MPACT Contract Purchaser may be assessed a twenty-five

dollar (\$25.00) processing fee.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.9 Late Payment Fee.* A late payment fee of twenty dollars (\$20.00) shall automatically be assessed on each monthly MPACT Contract payment received more than fifteen (15) days past the payment due date. An Actuarial Assessment of 1% per month will automatically be assessed on each lump-sum payment received more than fifteen (15) days past the payment due date. For accounts with partial lump sums and monthly payments, the fee for late payment will be twenty dollars (\$20.00) or 1%, whichever is greater.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.10 Fee for Return Items.* A thirty dollar (\$30.00) returned item fee shall automatically be assessed for any returned item including, but not limited to, payment made by check or through ACH (Automatic Clearing House). Such payments include both MPACT Contract payments and Administrative Fee payments that are returned.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.11 Fee for Document Replacement or Copies.* Except as provided herein, Purchasers and/or Beneficiaries shall automatically be assessed a ten dollar (\$10.00) fee per document (not per page) when requesting more than one copy, or a replacement copy, of any MPACT document including, but not limited to, the MPACT Application, the Participation and Payment Schedule, the Master MPACT, the coupon book, and the identification card. For lengthy documents, for documents requiring additional postage beyond the basic postage rate for a first class letter, and for documents requiring overnight delivery, the State Treasurer may assess an additional amount above the ten dollar (\$10.00) fee. The additional amount shall not exceed twenty five dollars (\$25.00) per request from the Contract Purchaser.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 10.12 Fee for Changes in Payment Schedule.* A twenty five dollar (\$25.00) processing fee will be assessed for a change in payment schedule.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 11: Attendance at Independent/Private In-state or Out-of State Postsecondary Institutions**

*Rule 11.1 Utilization of MPACT Contract Benefits at Independent/Private or Out-of-State Postsecondary or Graduate Institutions.* In the event the Qualified Beneficiary matriculates in an Independent/Private In-State Postsecondary or Graduate Institution or in an Out-of-State Postsecondary or Graduate Institution, the Current Tuition Value will be forwarded each academic term to the Postsecondary Institution on an academic equivalent hourly basis subject to the provisions of the MPACT Contract described in Rule 9.2. In no case will the amount forwarded ever exceed the cost of undergraduate or graduate Tuition plus Mandatory Fees of the

Postsecondary Institution to which the money is forwarded for the particular academic hours and term in question. Forwarding of MPACT Contract benefits under this Chapter will be made only when all of the following have occurred:

- A. The Purchaser has submitted a written request and all applicable Administrative Fees to the State Treasurer for transfer of the MPACT Contract benefits. The request should be submitted not less than sixty (60) days in advance of the first academic term for which the MPACT Contract benefits are to be paid.
- B. The Purchaser has paid the applicable Administrative Fee(s) in accordance with Rule 10.8.
- C. The State Treasurer has received a valid invoice from the Beneficiary's Postsecondary or graduate Institution after the end of the Institution's official drop/add period for each academic term for which MPACT Contract benefits are to be paid.

Failure to comply with the sixty (60) day requirements in this Chapter may result in the delay or unavailability of the MPACT Contract benefits until the following academic term.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003), §37-155-11.

### **Part 3 Chapter 12: Termination or Cancellation**

*Rule 12.1 General.* Unless otherwise stated herein, Termination or Cancellation of an MPACT Contract shall result in a refund to the Purchaser only after payment of applicable Administrative Fees.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 12.2 Individual Entitled to Cancel an MPACT Contract.* The person entitled to cancel an MPACT Contract is the named Contract Purchaser.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 12.3 Individual Entitled to Receive Refunds.* Unless otherwise stated herein, the individual entitled to receive any refunds which may be due under an MPACT Contract is the named Contract Purchaser.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 13: Refunds**

*Rule 13.1 General.* Unless otherwise stated herein, refunds will be paid to the Purchaser. Refund amounts will be based on the reason for Terminating or Cancelling an MPACT Contract. Except as provided herein, refunds shall include the amount paid into the Trust Fund. The Board may impose reasonable charges for such withdrawal or refund. Termination of student status after the official drop/add period eliminates the refund option for that academic term.

If a Qualified Beneficiary does not receive course credit for credit hours paid under an MPACT Contract, a refund will not be available for these credit hours. Furthermore, once the Trust Fund has paid a Postsecondary Institution for credit hour(s) on behalf of a Qualified Beneficiary, the hour(s) paid to the Postsecondary Institution reduce the total number of credit hours available for calculation of any refund amount that may be due to the Purchaser.

If the Qualified Beneficiary achieves a baccalaureate degree in fewer than the maximum number of credit hours guaranteed under an MPACT Contract and/or in fewer than the number of academic terms for which payment of Mandatory Fees is guaranteed under the Contract, the Purchaser may request a refund of the Redemption Value as defined in Rule 5.1AA.

Unless otherwise specified herein, refunds may be paid in installments as determined by the State Treasurer. The amount of the refund installments will be calculated by the State Treasurer at the time the written request for a refund is approved. Unless otherwise stated herein, the refund installments will be paid to the Purchaser. The State Treasurer is not responsible for any refunds that may be payable by the Postsecondary Institutions.

A Purchaser who voluntarily cancels their Contract will be allowed to reinstate up to the point where a refund check is issued. If the Purchaser changes their mind regarding Cancellation after issuance of a refund check, they must purchase a new Contract during the next Enrollment Period at that Enrollment Period's prices.

*Rule 13.2 Refund in the Event of Receipt of a Full or Partial Scholarship by A Qualified Beneficiary.* If a Qualified Beneficiary is awarded a Full or Partial Scholarship, the terms of which fully or partially cover the benefits guaranteed in the MPACT Contract, the Contract Purchaser may elect to cancel the MPACT Contract and request a refund under Rule 13.5 herein. The refund will be equal to the Redemption Value of the Contract. If the Purchaser does not cancel the MPACT Contract, MPACT will pay the college or university based on the invoice submitted by the Postsecondary Institution and subject to the provisions of MPACT stated in these Rules, Regulations, and Procedures. If a Qualified Beneficiary is awarded a Full or Partial Scholarship, the terms of which fully or partially cover the benefits guaranteed in the MPACT Contract and the Trust Fund pays, based on the invoice from the Institution, the full amount of the MPACT Contract to the college or university attended by the Beneficiary, it shall be the responsibility of the Purchaser to request a refund of the overpayment of Tuition and Fees from the college or university. If the college or university invoices the Trust Fund for a reduced amount of Tuition and Mandatory Fees, i.e., an amount less than that Contracted for by the Purchaser in the MPACT Contract, then the Purchaser shall request a refund from the Trust Fund of the difference between the invoiced amount and the amount for which the Purchaser contracted, and the refund will be made by the Trust Fund directly to the Purchaser, based on the appropriate documentation.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 13.3 Refund if the Beneficiary Matriculates in a Military College or University.* In the event the MPACT Contract Beneficiary matriculates in one of the U.S. Government sanctioned

military academies listed below, such that Tuition and Mandatory Fees are not charged, the Purchaser will 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. A request for a refund should be submitted within sixty (60) days of the Beneficiary's enrollment in the military college or university and must be accompanied by written documentation, deemed acceptable by the State Treasurer, evidencing enrollment. Otherwise, the refund provisions of Rule 13.6 may apply. The provisions herein apply to attendance at any one of the following military academies:

- A. The United States Air Force Academy in Colorado Springs, Colorado
- B. The United States Naval Academy in Annapolis, Maryland
- C. The United States Military Academy at West Point, New York
- D. The United States Merchant Marine Academy at Kings Point, New York
- E. The United States Coast Guard Academy in New London, Connecticut

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 13.4 Refund if the Beneficiary Matriculates in a Postsecondary Institution Located Outside of the United States.* If the Beneficiary matriculates in a Postsecondary Institution located outside of the United States, the MPACT Contract Purchaser may receive a refund of the Redemption Value of the Contract. The Cancellation Fee will be waived. The Contract Purchaser must submit a written request for a refund and must furnish written documentation, acceptable to the State Treasurer, substantiating the Beneficiary's attendance at a Postsecondary Institution located outside of the United States.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 13.5 Refund in the Event Qualified Beneficiary Graduates With Unused Contract Hours.* If the Qualified Beneficiary achieves a baccalaureate degree in fewer than the maximum number of credit hours guaranteed under an MPACT Contract and/or in fewer than the number of academic terms for which payment of Mandatory Fees is guaranteed under the Contract, the Purchaser may request a refund of the Redemption Value as defined in Rule 5.1AA. Such requests must be in writing and include appropriate written documentation, acceptable to the State Treasurer.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 13.6 Other Refunds.* Refunds for reasons or circumstances other than those stipulated above in Rules 3.1, 3.2, 3.3, 3.4 and 3.5 may only be made to the Purchaser upon written request by the Purchaser after submission of all documentation required by the State Treasurer to substantiate the refund request, and after payment of the required Administrative Fee(s).

The Purchaser will be entitled to a refund equal to the Redemption Value of the Contract. A refund under this rule will not include credit hours or Mandatory Fees paid by the Trust Fund on

behalf of the Qualified Beneficiary prior to the time of refund. A Cancellation Fee will also be charged.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 14: Rollovers**

*Rule 14.1 General.* Qualified Rollover Distributions are not subject to taxation or penalty. Rollover Distributions include both:

A. Transfers between a QTP operated by one state and a QTP operated by another state; or,

B. Transfers between separate QTP's operated by the same state.

These changes can be made as a non-taxable event without penalty or additional tax if there is a change of Beneficiary and the new Beneficiary is a "member of the family" of the previous Beneficiary. Account Owners may also rollover from one QTP to another for the same Beneficiary once every twelve (12) months without incurring state or federal income tax, any penalty or the additional tax, so long as the transfer occurs within sixty (60) days of the original withdrawal.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 14.2 Rollovers from MACS to MPACT.* Purchasers desiring to transfer money from a MACS Account to an MPACT Contract must contact the MACS Program Manager to request a rollover. Purchasers should also complete, sign and transmit to MPACT the official MPACT Rollover Form.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 14.3 Rollovers from MPACT to MACS.* Purchasers desiring to transfer money from an MPACT Contract to a MACS Account must complete, sign and transmit to MPACT the official Rollover Form. The MACS Account must be already open and a MACS Account Number provided at the time of the request.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 14.4 Rollovers from QTP's (529 Plans) Operated by Other States to MPACT.* It is the responsibility of the Purchaser to notify the other QTP and request that the proper amount be sent to MPACT. Purchasers should also complete, sign and transmit to MPACT the official MPACT Rollover Form as notification to expect the rollover payment.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 14.5 Rollovers from MPACT to a QTP (529 Plan) Operated by Other States.* Purchasers desiring to transfer money from their MPACT Contract to a QTP operated by another state must complete, sign and transmit to MPACT the official Rollover Form. The QTP Account must be already opened and an account number and payment address provided at the time of the request.

MPACT will provide the other QTP with a breakdown between interest and return of principal along with the rollover payment.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 15: Special Petition**

*Rule 15.1 General.* Any individual, corporation, organization, or other Entity desiring to petition for relief from the Rules, Regulations, and/or Procedures dictated herein may do so by filing a written petition with the State Treasurer. The petition shall contain the name and address of the person requesting relief; the specific nature of the relief requested; the name and address of any Purchaser or Beneficiary on any disputed MPACT Contract; the MPACT Contract account number(s) of the Contract(s) in question; the rule, regulation, and/or procedure from which the Petitioner is requesting relief; the date of request; the social security number or tax identification number of the Beneficiary and of the Purchaser; and the sworn signature of the petitioner. The response to the petition will be in writing and will be made within forty-five (45) days of receipt of the petition from the individual requesting relief. The State Treasurer, or his/her designee, has the authority to respond to the petition on behalf of the Board of Directors.

Any individual or Entity as described above may appeal to the Board of Directors an adverse ruling by the Treasurer, or the Treasurer and MPACT Director may decide at their discretion that an appeal by any Entity as described above should be considered by the MPACT Board of Directors. In such cases, the written statement of the petitioner shall be forwarded to the appropriate committee of the Board and the matter placed on the agenda for the next meeting of that committee. The committee shall consider the appeal and make a recommendation as to the appeal to the entire Board. The person making such an appeal may request or be requested to appear in person at a meeting of a committee or the Board, at the discretion of the committee or Board.

Decisions by the Committee or the Board shall be communicated in writing to the person making the appeal. All such decision by the Board is final.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 16: Miscellaneous Provisions**

*Rule 16.1 Promulgation and Amendment of these Rules, Regulations, and Procedures.* The State Treasurer, on behalf of the Board of Directors, shall promulgate such other Rules, Regulations, and Procedures as are deemed necessary to implement the MPACT Program and shall amend these Rules, Regulations, and Procedures as is necessary for operation of the MPACT Program.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 17: Waiver of Rules, Regulations, and Procedures**

*Rule 17.1 General.* The State Treasurer may waive portions of these Rules, Regulations, and

Procedures to prevent hardship of the Purchaser and/or of the Qualified Beneficiary.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

### **Part 3 Chapter 18: Corporations, Trusts, Charitable Organizations and Other Qualified Entities**

*Rule 18.1 General.* These Rules, Regulations, and Procedures have been established by the Board for Contract Purchasers who are not natural persons. The State Treasurer has determined that entering into MPACT Contracts to be awarded to Beneficiaries who are not immediately known will allow and encourage Entities to enter into MPACT Contracts. This type of Contract will provide educational benefits to Beneficiaries who might otherwise not be able to afford Postsecondary education.

Unless specifically exempted herein, all Rules, Regulations, and Procedures pertaining to MPACT Contract Purchasers who are natural persons also apply to any Purchaser that is an Entity.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 18.2 Eligibility of the Purchaser.* The Purchaser of an MPACT Contract may be any Entity approved, in writing, by the State Treasurer. Contracts opened by Entities, IRS Section 501(c)(3) organizations, trusts and custodians are subject to additional restrictions and may be required to provide documentation evidencing the legal status of the Entity and the authorization of the representative to enter into and administer an MPACT Contract. UGMA/UTMA custodians are also subject to certain limitations on their ability to make changes to, and transfer to and from, such Contracts. UGMA/UTMA custodians and trust representatives should consult a tax advisor about the tax consequences of opening and holding a Contract, as well as legal counsel regarding their rights and responsibilities as custodians and representatives.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 18.3 Naming the Beneficiary.* If an Entity which purchases an MPACT Contract does not name the Contract Beneficiary at the time the MPACT Application is submitted to the State Treasurer, a Projected College Entrance Date for the unnamed Beneficiary must be specified on the MPACT Application. The age of the unnamed Beneficiary on the MPACT Application will be the normal age for a Beneficiary expected to enter college in the Academic School Year corresponding to the Projected College Entrance Date. The Beneficiary should be named not less than six (6) months prior to the Projected College Entrance Date specified by the Entity on the MPACT Application.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 18.4 Beneficiary Eligibility.* If the Beneficiary is named at the time the MPACT Application is submitted to the State Treasurer, the Beneficiary eligibility requirements of Rule 7.1 are applicable. If the Beneficiary is not named, pursuant to the exemption stated in Rule 18.3, when the MPACT Application is submitted to the State Treasurer, at such time as the Beneficiary is

named, the named Beneficiary must meet all of the following requirements:

- A. The Beneficiary must be a Resident of the State of Mississippi; or a nonresident provided that the Purchaser is a resident of the State;
- B. The Beneficiary must be eighteen (18) years of age or younger;
- C. The Beneficiary must have a college enrollment year which is the same year as the Projected;
- D. College Entrance Date provided in the MPACT Application by the Entity; and
- E. The Beneficiary must be born and have a valid birth certificate.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 18.5 Failure to Name the Beneficiary.* Failure to name the Beneficiary within the time frame specified in Rule 18.3 will result in the Cancellation of the MPACT Contract, with the monies refunded from the Trust Fund at the Redemption Value. The Board may impose reasonable charges for such refund.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 18.6 Application.* For any corporation or trust submitting an MPACT Application, the Application will be considered incomplete, and will not be accepted by the State Treasurer, unless the corporate applicant provides its taxpayer identification number on the Application, and the Application must be complete in all other respects as described in Rules 18.2 through 18.3.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003).

*Rule 18.7 Utilization of the MPACT Contract Benefits.* The MPACT Contract benefits may not be used unless the Purchaser has furnished to the State Treasurer the name, age, and social security number of the Qualified Beneficiary and has complied with all other applicable Rules, Regulations, and Procedures pertaining to Purchasers who are natural persons.

### **Part 3 Chapter 19: Dormitory Residence Plan**

*Rule 19.1 Dormitory Residence Plans.* Pursuant to the statutory authority of the Board of Directors which grants the Board the powers necessary or convenient to carry out the purposes and provisions of this Act, upon the completion of feasibility and advisability study the Board elected to not offer a prepaid dormitory plan.

The Mississippi Affordable College Savings (MACS) Plan provides a savings vehicle which can

be used for books, room and board, graduate school and other higher education expenses.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003), §37-155-13.