

## **Title 38: Treasurer**

### **Part 1: Office of the State Treasurer**

#### **Part 1 Chapter 1: Regulation Number 1**

*Rule 1.1 Overview Authority of State Treasurer.* Section 31-19-5 of the Mississippi Code of 1972 Annotated, as amended, authorizes the State Treasurer to promulgate rules regarding alternative methods of investment of any funds received from the sale of bonds, notes, or certificates of indebtedness heretofore or hereafter sold by the State of Mississippi or any agency or department thereof or by any county, municipality, road district, levee district, development district, utility district, school district, drainage district or other entity authorized by law to issue bonds, notes, or certificates of indebtedness (hereafter “Issuer” or “Issuers”), which are not immediately required for disbursement for the purpose for which issued.

Source: *Miss. Code Ann.* § 31-19-5 (Rev. 2007).

*Rule 1.2 Purpose.* The purpose of this investment policy is to regulate and provide guidelines for entities authorized by law to issue bonds, notes or certificates of indebtedness, regarding alternative methods of investment of funds received from the issuance of bonds, notes, or certificates of indebtedness which are not immediately required for disbursement for the purpose for which issued. This regulation does not apply to the investment of general funds of the above named entities.

Source: *Miss. Code Ann.* § 31-19-5 (Rev. 2007).

*Rule 1.3 Permissible Investments.* Any funds received from the sale of bonds, notes or certificates of indebtedness heretofore or hereafter sold by an Issuer, which are not immediately required for disbursement for the purpose for which issued (“Bond Funds”), may unless otherwise prohibited by law be invested by the proper authorities in the following investments:

- A. Certificates of Deposit or other interest bearing accounts issued by a qualified depository of the State of Mississippi as follows:
  1. Qualified Depository of the State of Mississippi. A qualified depository of the State of Mississippi is a financial institution qualified by the State Treasurer as a depository in accordance with Section 27-105-5 of the Mississippi Code Annotated as amended. A list of qualified depositories is available from the State Treasurer.
  2. Maturity. The certificate of deposit must mature or be redeemable by the holder on or prior to the date upon which such funds will be required for disbursements.
  3. Interest Rate. Interest rates may be negotiated or determined by competitive bids. The interest rate on a certificate of deposit shall bear interest at a rate per annum not less than a simple interest rate numerically equal to the highest of:

- a. the discount rate of United State Treasury obligations of comparable maturity as published in the Wall Street Journal on the date of investment;
- b. the current rate of interest paid on certificates of deposit; or
- c. the bond equivalent yield paid on United States Treasury obligations of comparable maturity as published in the Wall Street Journal on the date of investment.

Provided, however, that the proceeds from the sale of bonds issued pursuant to the joinder of supervisor's districts of adjacent counties in establishing industrial enterprises as set out in 57-1-131 through 57-1-145, Mississippi Code of 1972, or Chapter 3 of Title 57, Mississippi Code of 1972, may be invested in certificates of deposit issued by qualified depositories of the State of Mississippi bearing interest at any rate per annum which may be mutually agreed upon, but in no event shall said rate be less than the discount rate on United States Treasury obligations of comparable maturity.

- 4. Security. Said certificates of deposit shall be secured as otherwise required by applicable law.

B. Direct United States Treasury Obligations guaranteed in full as to principal and interest by the United State of America, limited to the following:

- 1. U.S. Treasury Bills
- 2. U.S. Treasury Notes having remaining maturities of no more than eighteen (18) months unless a longer term is provided through compliance with Section 4 below.
- 3. U.S. Treasury Bonds having remaining maturities of no more than eighteen (18) months unless a longer term is provided through compliance with Section 4 below.

C. United States Government Agency obligations having remaining maturities of no more than eighteen (18) months unless a longer term provided through compliance with Section 4, the principal and interest of which are fully guaranteed by the United States of America or an agency thereof, however, limited to the following:

- 1. Farm Credit System Financial Assistance Corporation Securities
- 2. Federal Home Loan Bank
- 3. Federal National Mortgage Association
- 4. Student Loan Marketing Association
- 5. Resolution Trust Corporation

Note 1: All investments in United States Government Agency obligations may not exceed 50% in the aggregate of all Bond Funds invested for 30 days or more.

Note 2: In no event shall the remaining maturity of any United State Government Agency obligation exceed 5 years.

Note 3: Pools consisting of Federal Home Loan Mortgage Corporation (Freddie Mac) securities and/or Federal National Mortgage Association (Fannie Mae) mortgage backed securities are not permissible investments; however, such pools may be taken as collateral on deposits.

- D. Direct Security Repurchase Agreements and Reverse Direct Agreements of any federal book entry of direct United States Treasury obligations and United States Government Agency obligations guaranteed as to principal and interest; provided, however, the Issuer must make a finding in writing that a Reverse Direct Security Repurchase Agreement is in the Issuer's best interest. Such finding must be spread upon the official minutes of the Issuer and provided to the State Treasurer.
1. Direct Security Repurchase Agreement. "Direct Security Repurchase Agreement" means an agreement under which the entity buys, holds for a specified time, and then sells back certain securities and obligations.
  2. Reverse Direct Securities Repurchase Agreement. "Reverse Direct Securities Repurchase Agreement" means an agreement under which the entity sells and after a specified time buys back certain securities and obligations.
  3. Dollar Limitation. At least eighty percent (80%) of the total dollar amount in all repurchase agreements by each Issuer at any one time shall be pursuant to contracts with qualified state depositories.
  4. Maturity. The repurchase agreement shall mature or be redeemable prior the time funds will be needed for expenditure but in any event must have a term of 30 days or less.

Funds received from the sale and redemption of bonds, notes, or certificates of indebtedness shall not be invested in securities of, or interest in, any open-end or closed-end management type investment company or investment trust, except that pursuant to 91-13-8, Mississippi Code of 1972, a bank trustee acting in a fiduciary capacity that is authorized to invest in direct obligations of the U.S. of America also may invest such public fund in securities of, or other interests in, an open-end or closed-end management type investment company or investment trust that meets the criteria set out in 91-13-8, Mississippi Code of 1972.

Source: *Miss. Code Ann.* § 31-19-5 (Rev. 2007).

*Rule 1.4 Maturities.*

- A. Investments in the form of direct United State Treasury obligations, United States agency obligations, certificates of deposit or repurchase agreements must mature or be redeemable by the holder on or prior to the date upon which funds will be required for disbursement.
- B. Except with respect to the investment of the proceeds of refunding bonds and reserves established in connection with the issuance of any bonds, the maturity of investments shall not exceed 18 months from date of purchase, unless the Issuer makes a finding in

writing that a longer term investment is in the Issuer's best interest. Such finding must be spread upon the official minutes of the Issuer and provided to the State Treasurer. Investments in the form or repurchase agreements shall not in any event exceed 30 days from the date of purchase.

- C. To avoid interest rate risk exposure, investments should be made with the intent to hold until maturity and not for resale on the market.

Source: *Miss. Code Ann.* § 31-19-5 (Rev. 2007).

*Rule 1.5 Purchase and Sale of Securities.* Direct United State Treasury obligations and United States Government Agency obligations must be purchased from qualified depositories of the State of Mississippi or registered Mississippi investment brokers who are members in good standing of or eligible for membership in the National Association of Securities Dealers (NASD), or from state and national banks qualified to do business in the State of Mississippi. Certificates of deposits must be purchased from qualified depositories of the State of Mississippi. At least eighty percent (80%) of the total dollar amount of all repurchase agreements entered into by any governmental entity investing funds governed by this regulation must be pursuant to contracts with qualified depositories of the State of Mississippi. Any remaining repurchase agreements may be entered into pursuant to contracts with investment brokers licensed by the State of Mississippi who are members in good standing of the National Association of Securities Dealers (NASD), or from state and national banks qualified to do business in the State of Mississippi.

Source: *Miss. Code Ann.* § 31-19-5 (Rev. 2007).

*Rule 1.6 Arbitrage.* This regulation is subject to, and in no way effects the applicability of Section 148 and other provisions of the Internal Revenue Code of 1986 and regulations promulgated thereunder relating to the investment of funds derived from the sale of bonds, notes or certificates of indebtedness.

Source: *Miss. Code Ann.* § 31-19-5 (Rev. 2007).

*Rule 1.7 Application.* This regulation shall not be construed to in any way amend or repeal the specific provisions of any general or local and private laws requiring or permitting the investment of funds received from the sale of bonds, notes or certificates of indebtedness of reserve funds related thereto in specific investments provided for in said laws.

Source: *Miss. Code Ann.* § 31-19-5 (Rev. 2007).

## **Part 1 Chapter 2: Regulation 2-Selection Process for International Banking Establishment to Handle Foreign Currency Exchange**

*Rule 2.1 Purpose.* The adoption of rules is necessary for selection of an institution to handle foreign currency acquisition and distribution for the Department of Economic and Community Development. Pursuant to §25-43-7 and §25-43-9 Mississippi Code of 1972, annotated, the Office of the Treasurer submits proposed rules covering the selection process for an international banking establishment to handle foreign currency exchange and distribution for the following reason:

Losses of 20% in currency exchange transactions have occurred in prior years and such transactions have been significant enough to utilize the services of a large international banking institution to manage the acquisition and distribution of foreign currency. The immediate implementation of this management practice will minimize potential losses by making forward purchases of currency or other contracts aimed at cutting significant monetary losses.

Source: *Miss. Code Ann.* § 27-105-33 (i) (Rev. 1995), § 31-19-5 (Rev. 2007).

*Rule 2.2 Qualification Requirements for International Banking Institutions.* The following criteria are required, as a minimum, for a banking institution to qualify as a foreign financial institution selected to support the foreign currency investment requirements allowed under §27-105-33(l), Mississippi Code of 1972, annotated:

- A. Reported assets of not less than \$500,000,000.
- B. AAA rating or better.
- C. Capability of dealing directly in world currencies.
- D. Operate full service branches in all countries in which the State has foreign offices.
- E. Capability to transfer and distribute currency on required timely basis.
- F. Willingness to handle currency acquisition and distribution at minimal cost.
- G. Maintain a branch office in the State of Mississippi or within 500 miles of the State of Mississippi.

Source: *Miss. Code Ann.* § 27-105-33 (i) (Rev. 1995), § 31-19-5 (Rev. 2007).

*Rule 2.3 Application Process.* All foreign financial institutions qualifying under the above requirements shall indicate to the State Treasurer at 404 Sillers State Office Building, Jackson, MS 39201 such interest in entering into price contracts for the purchase or exchange of foreign currency and other arrangements for the currency exchange in an amount not to exceed

\$500,000. Upon review of indication of interest from the financial institutions, the State Treasurer shall select such institution and contract for the necessary foreign currency purchase, exchanges or arrangements as required by the Department of Economic and Community Development.

Source: *Miss. Code Ann.* § 27-105-33 (i) (Rev. 1995), § 31-19-5 (Rev. 2007).

*Rule 2.4 Proposed Effective Date.* Pursuant to § 25-43-9, Mississippi Code of 1972, Annotated, the State Treasurer intends to adopt Regulation No. 2 as a permanent rule, effective thirty (30) days after filing.

Source: *Miss. Code Ann.* § 27-105-33 (i) (Rev. 1995), § 31-19-5 (Rev. 2007).

### **Part 1 Chapter 3: Public Funds Guaranty Pool Rules**

*Rule 3.1 Purpose.* Mississippi Code Ann. Section 27-105-6 creates a public funds guaranty pool as an alternative means for securing public deposits. The purpose of these rules is to establish requirements for admission, participation and administration of the public funds guaranty pool as required by and consistent with Section 27-105-6.

Source: *Miss. Code Ann.* § 27-105-6 (Rev. 2000), § 31-19-5 (Rev. 2007).

#### *Rule 3.2 Board Membership and Operations.*

##### **A. Initial Board Membership**

1. Banking Industry Representatives. Appointment of members in accordance with Section 27-105-6 shall be effective at the time such member is notified by the State Treasurer of such appointment. The Mississippi Bankers Association shall designate the initial terms of the representatives of financial institutions as one (1) year or two (2) year terms. The initial representatives of financial institutions shall serve the term designated by the Mississippi Bankers Association. All subsequent representatives of financial institutions shall serve two (2) year terms unless completing the unexpired term of a member due to a vacancy. All members shall continue to serve until a successor is appointed.

##### **B. Meetings**

1. How called. The Board shall meet at the call of the Chairman or upon written request to the Chairman by four (4) members of the Board. Unless circumstances prevent, the Secretary shall notify members of the date, time and location of each meeting at least five (5) calendar days prior to the date of the meeting. Notice of the Board meetings shall be by post, telephone or electronic mail.
2. Quorum. A quorum of the Board shall consist of five (5) members of the Board. Notwithstanding the presence of a quorum, where these rules require certain

actions to be taken by a specified number of votes, the action may not be taken unless the requisite number of votes is cast.

3. Presiding Officer. The Chairman shall preside at all meetings of the Board. In the Chairman's absence, the Vice-Chairman shall preside.
4. Executive Session. In the event that information deemed confidential pursuant to Mississippi Code Ann. Section 25-41-7 (4), is to be discussed by the Board, the Board shall meet in executive session pursuant to Mississippi Code Section 25-41-7. The presiding officer shall announce to those in attendance that the Board, due to the confidential nature of material to be discussed, will meet in executive session which is closed to the public. The presiding officer shall set and announce a time specific at which point the meeting will again be opened for public attendance. The Board shall not take any official action during executive session. Minutes of executive session shall be maintained in such a manner as to not disclose the nature of confidential information discussed.

#### C. Records.

1. Where Maintained. All records of the Board shall be maintained by the State Treasurer in accordance with the requirements of applicable state law and rules and regulations to the receipt and maintenance of public records.
2. Confidential Records. Records submitted from any source which are confidential in nature as provided in Mississippi Code Ann. Section 25-41-7 shall be maintained by the State Treasurer in such a manner as to protect the confidentiality of those records and to prevent the unauthorized dissemination of such information.
3. Access to Records. Persons requesting access to the records of the Board shall submit their request to the State Treasurer who, upon determining that such records are not confidential in nature, shall permit the inspection of such records in accordance with applicable laws, rules and regulations.

D. General Delegation to the Treasurer. The Board, upon the affirmative vote of six (6) members, may delegate such of its duties to the State Treasurer as the Board deems appropriate. In exercising such delegations, the State Treasurer shall be authorized to exercise such powers as are vested in the Board which are necessary to fulfill the delegated duties and responsibilities and may assign any of such duties and responsibilities to his staff as he deems necessary and proper.

#### E. Votes Required for Board Action.

1. Admission. Pursuant to Mississippi Code Ann. Section 27-105-6, any bank shall be admitted for participation in the public funds guaranty pool if it meets the statutory requirements and the additional criteria adopted by the Board.
2. Increase Collateral Pledge Level. The collateral pledge level of a qualified public funds depository may be increased upon six (6) affirmative votes of the Board.
3. Bank Rating Criteria and Benchmark Levels. The Board, upon the affirmative vote of six (6) members, shall set the initial bank rating criteria and benchmark

levels as provided in Section 27-105-6 (6). Any subsequent revision to the bank rating criteria or benchmark levels may be accomplished by the affirmative vote of the six (6) members of the Board.

4. Majority Vote for Other Action. Any action of the Board, other than that requiring a specific affirmative vote, may be accomplished by a majority vote. For purposes of this rule, a majority shall mean the affirmative vote of five (5) members of the Board.

#### F. Board Officers.

1. Selection. Officers shall be elected by majority vote of the Board. The election of officers shall occur at the first Board meeting held after June 30 of each year.
2. Term. Officers shall serve a one (1) year term to expire upon election of a successor by the Board.
3. Chairman. The Chairman shall preside at meetings of the Board and, together with the Board Secretary, set the agenda for each meeting. The Chairman shall have other duties and powers as may be assigned by the Board by majority vote.
4. Vice-Chairman. The Vice-Chairman shall preside at meetings in the absence of the Chairman. The Vice-Chairman shall exercise such other duties as may be assigned by majority vote of the Board.
5. Secretary. The Secretary shall keep an accurate record of the proceedings and actions of the Board. Together with the Chairman, the Secretary shall set the agenda for each meeting, notify Board members and the public of meetings and distribute appropriate materials to Board members. The Secretary shall also maintain information on the appointment of members to the Board and their term of office.

#### G. Miscellaneous

1. Attachment to Treasury Department. The Board, for administrative purposes, is attached to the Mississippi Treasury Department.
2. Vacancies. Should any appointed member of the Board become unable to continue to serve on the Board for whatever reason, the member or his representative shall notify the Board of such inability to serve by submitting a letter of resignation to the Secretary. The Secretary shall notify the appropriate appointing authority of the resignation and request that another representative be appointed to serve the remainder of the member's term.

Source: *Miss. Code Ann.* § 27-105-6 (Rev. 2000), § 31-19-5 (Rev. 2007).

#### *Rule 3.3 Admission to the Pool.*

##### A. Application by Public Depository.

1. Applications for Participation. To be considered for admission to the public funds guaranty pool, Financial Institutions maintaining a deposit-taking facility in this state whose accounts are insured by the Federal Deposit Insurance Corporation



shall submit a completed Application Package to the Board. The Application Package shall include a completed application form and required supplemental information and documents.

2. Application Form. The State Treasurer shall prescribe an appropriate form which solicits from applicants the following information:
  - a. the legal name of the financial institution;
  - b. the address of principal offices of the institution;
  - c. the institution's transit routing number;
  - d. the institution's FDIC insurance certificate number;
  - e. the institution's tax identification number;
  - f. the date the institution was chartered;
  - g. the date the institution commenced banking operations in Mississippi;
  - h. a list of the applicants three (3) senior officers, including a resume' of their experience and qualifications;
  - i. a list of public depositors by account held by the applicant at the end of the preceding calendar quarter;
  - j. for the twelve (12) months preceding the date of application, the average monthly balance of public depositors held for each month;
  - k. the legal name and address of the principal offices of all trustee custodians proposed to safekeep eligible collateral pledged to the pool; and
  - l. for the eight (8) quarters immediately preceding the date of the application, a schedule of financial information to be taken from the institution's Report of Condition to the FDIC (call report) as determined by the Board.
3. Supplemental Information and Documents Required. The Application Package shall include the following executed documents:
  - a. copies of the Collateral Security Agreement; and
  - b. copies of the Contingent Liability Agreement.
4. Completion of Application Form. The application form shall be executed by the president or chief executive officer of the applicant and the individual responsible for preparing the application and contain all the prescribed information to be considered complete. The applicant may withdraw the application at any time prior to the Board taking final action on the application.

#### B. Admission Criteria.

1. Admission Criteria Generally. To be admitted to the public funds guaranty pool, each applicant must meet or exceed and maintain standards established by Miss. Code Ann. Sections 27-105-5 (2) and 27-105-6 (4) and any additional criteria established by the Board pursuant to its authority at Section 27-105-6 (6) in the area of financial standards as set forth below.
2. Evaluation of Financial Standards.
  - a. The Board may consider any one, all, or any combination of the

following guidelines for evaluating financial standards. The guidelines include, but are not limited to, benchmark levels as shall be determined by the Board from time to time calculated by the following ratios taken from the schedule submitted by the applicant pursuant to rule 1.03 (1) (b) 13. The ratios shown below are required by MS Code Sections 27-105-5 and 27-105-6. The Capital Adequacy Ratio and two of the three other ratios in the code must be met before the remaining ratios established by the Board are considered.

i. Capital Adequacy Ratio: (MS Code 27-105-5)

- a) Primary Capital to Assets - 6.5% or more

$$\frac{\text{Total Equity Capital}}{\text{Total Assets}}$$

ii. Asset Quality Ratio (MS Code 27-105-6)

- a) Loans 90+ Days Past Due to Total Loans – less than 2%

$$\frac{\text{Total Loans Past Due 90 Days}}{\text{Total Loans}}$$

iii. Earnings Ratio (MS Code 27-105-6)

- a) Return on Average Assets (average of most recent 4 quarters)- more than .75%

$$\frac{\text{Net Income (annualized four quarter average)}}{\text{Average Assets}}$$

iv. Liquidity Ratio (MS Code 27-105-6)

- a) Loans to Total Assets - 80% or less

$$\frac{\text{Total Loans}}{\text{Total Assets}}$$

- b. The five ratios shown below were established by the Board as criteria for acceptance and continued participation in the pool. The Earnings Ratio and the Liquidity Ratio were taken from the MS Code. The Asset Quality Ratio from the MS Code was expanded to allow further analysis of the applicant's credit quality. Three out of five of these ratios must be met and maintained for acceptance and continued participation in the pool.

i. Asset Quality Ratios

- a) Loan Loss Allowance to Non-Performing Loans - 100% or more

$$\frac{\text{Allowance for Loan Losses}}{\text{Total Loans Past Due 90 Days + Total Non-Accrual Loans}}$$

b) Total Non-Accrual Loans and Loans 90 + Days Past Due to Total Loans - less than 2%

$$\frac{\text{Total Non-Accrual Loans} + \text{Total Loans Past Due 90 Days}}{\text{Total Loans}}$$

c) Non-Performing Assets to Total Assets - less than 1.5%

$$\frac{\text{Total Loans Past Due 90 Days} + \text{Total Non-Accrual Loans} + \text{Other Real Estate Owned}}{\text{Total Assets}}$$

ii. Earnings Ratio

a) Return on Average Assets (average of most recent 4 quarters)- more than .75%

$$\frac{\text{Net Income (Annualized four quarter average)}}{\text{Average Assets}}$$

iii. Liquidity Ratio

a) Loans to Total Assets - 80% or less

$$\frac{\text{Total Loans}}{\text{Total Assets}}$$

The Board may consider such other financial information, including interim reports requested by the Board or the State Treasurer, as it deems necessary or appropriate. However an applicant must pass and maintain the ratios required in the MS Code plus three of the five ratios described above as established by the Board.

3. Evaluation of Other Factors. The Board may further consider such other information bearing on the applicant's appropriateness for participation in the pool as in the opinion of the Board may be relevant including, but not limited to, the applicant's mode of conducting and managing its affairs, the action of its directors, the investment of the applicant's funds, the safety and prudence of the applicant's management, and any administrative proceeding or court action initiated against the applicant.

C. Processing of Application.

1. Processing by the State Treasurer. Upon receipt of an Application Package, the State Treasurer shall review the contents of the Application Package to ensure completeness. In the event that an Application Package is found to be incomplete, the State Treasurer shall notify the applicant of the deficiency and provide the applicant with sixty (60) calendar days in which to cure the deficiency. If the deficiency is not cured within this time, the State Treasurer shall return the Application Package to the applicant. Upon determining that an Application Package is complete, the State Treasurer shall notify the Chairman that the application is complete and all qualifications are met.

2. Notice to Applicant. The Secretary of the Board shall notify an applicant in writing of any action taken by the Board or by the Treasurer within ten (10) calendar days of such action.

Source: *Miss. Code Ann.* § 27-105-5 (Rev. 2003), § 27-105-6 (Rev. 2000), § 31-19-5 (Rev. 2007).

*Rule 3.4 Determination of Collateral Pledge Level.*

- A. Collateral Pledge Level. A qualified public depository shall pledge eligible collateral having a market value not less than the average daily balance of public deposits held by the qualified public depository multiplied by the qualified public depository's collateral pledging level. The collateral pledging level for all qualified public depositories shall be calculated quarterly according to the following schedule:  
75% of average daily balance of funds on deposit in the aggregate by the State of Mississippi or any agency or department of the state or by any county, municipality or governmental unit in excess of the Federal Deposit Insurance Corporation insurance limits.
- B. Minimum Pledged Collateral. Notwithstanding the average daily balance, a qualified public depository shall maintain a minimum of pledged eligible collateral whose market value is not less than one hundred thousand dollars (\$100,000).
- C. Temporary Increases in Collateral. A qualified public depository which accepts any public deposit that causes its public deposits to exceed its average daily balance by twenty-five percent (25%) shall be required to pledge additional eligible collateral with the Treasurer within two (2) business days of the deposit. The additional eligible collateral shall be equal to the difference between the actual public deposits and the average daily balance times the applicable collateral pledge level, including any limitations thereto.  
The additional eligible collateral shall not be required if deposit(s) causing the increase are withdrawn within the two (2) business days and prior to pledging of the additional collateral. Additional pledged collateral shall be included in required collateral and held by the Treasurer until the next regular monthly report is filed.

Source: *Miss. Code Ann.* § 27-105-6 (Rev. 2000), § 31-19-5 (Rev. 2007).

*Rule 3.5 Suspension from Pool.*

- A. Notice of Suspension to Qualified Public Depository. The Board may suspend or disqualify any qualified public depository for violation of any of the provisions of the Act or these rules. In the event that the State Treasurer becomes aware that a pool member no longer meets the requirements for continued participation in the pool, the State Treasurer has the authority to require the member financial institution to pledge collateral at a level of 105% of the outstanding balances of public funds on deposit, less the amount insured

by the Federal Deposit Insurance Corporation. The qualified public depository shall be notified of the effective date of the suspension within ten (10) business days of the action by the State Treasurer or the Board and not less than thirty (30) days before the effective date.

- B. Effect of Suspension. A qualified public depository which is suspended from participation in the pool shall immediately collateralize all existing public funds and deposits secured by the pool at a level of 105% of the outstanding balances of such funds less the amount of funds insured by the Federal Deposit Insurance Corporation.

Source: *Miss. Code Ann.* § 27-105-6 (Rev. 2000), § 31-19-5 (Rev. 2007).

*Rule 3.6 Reporting by Qualified Public Depository.*

A. Quarterly Reports

1. Report Contents. Every qualified public depository shall file with the Treasurer on a quarterly basis reports as required by Section 27-105-6 (7). The report shall be filed at the same time the quarterly Report of Condition is filed with the Federal Deposit Insurance Corporation, but not later than the date that the report is due to be filed with the Federal Deposit Insurance Corporation.
2. Amended Reports. Every qualified public depository shall file with the Treasurer an amended report at any time the Report of Condition filed with the Federal Deposit Insurance Corporation is amended. Such amended report shall be filed at the same time it is filed with the Federal Deposit Insurance Corporation.

B. Change of Name, Address, Charter of the Institution or Ownership

1. Report Contents. Every qualified public depository shall file with the Treasurer, on a form prescribed by him, a report of any change of name, address, charter or ownership of the institution.
2. When Due. The report shall be filed within three (3) business days of such change.

C. Confidential Information. It shall be the responsibility of each qualified public depository from which information or reports is required to inform the Treasurer of information that is confidential. The Treasurer shall design report forms so that any information which is confidential may be placed on separate sheets; only information which is confidential by State or Federal law may be so designated.

Source: *Miss. Code Ann.* § 27-105-6 (Rev. 2000), § 31-19-5 (Rev. 2007).

*Rule 3.7 Reports and Procedures for Trustee Custodians.*

- A. Appointment of Trustee Custodians. Upon being designated as a qualified public depository, the qualified public depository shall appoint one or more trustee

custodians for the deposit of eligible collateral by the qualified public depository. The appointment shall be made on a form provided by the Treasurer and shall be delivered to the Treasurer and accepted by him prior to the deposit of any collateral with the trustee custodian.

- B. Notification. The Treasurer shall notify the qualified public depository of the acceptance or denial of an appointment of a trustee custodian.
- C. Report Contents. Every trustee custodian shall submit a quarterly report to the Treasurer providing a description of eligible collateral securities deposited by the qualified public depository, including the par value of the eligible collateral, as well as other information requested by the Treasurer.
- D. When Due. The trustee custodian shall file the report with the Treasurer on a schedule as established by the Treasurer. The report shall include information as of the end of the scheduled quarter.
- E. Amended Reports. A trustee custodian shall submit to the Treasurer an amended report at any time that it determines the information on any prior report was incomplete or inaccurate. The amended report shall be filed not later than ten (10) business days after it determines that any prior report was inaccurate or incomplete.

Source: *Miss. Code Ann.* § 27-105-6 (Rev. 2000), § 31-19-5 (Rev. 2007).

*Rule 3.8 Withdraw from Collateral Pool Participation.*

A. Voluntary Withdrawal

- 1. Voluntary Withdrawal Generally. A qualified public depository may withdraw from participation in the collateral pool by giving written notice to the State Treasurer, and to all public depositors having deposits at the qualified public depository. The notice shall provide an effective date of withdrawal which shall not be less than one hundred eight (180) calendar days after the date the notice is received by the Treasurer.
- 2. Contingent Liability of Withdrawing Qualified Public Depository. A qualified public depository shall be contingently liable for any loss to the pool as provided in the contingent liability agreement for a period of six (6) months following the effective date of withdrawal. To assure that an institution can meet its contingent liability, an institution shall continue to maintain pledged collateral in an amount of 105% of the outstanding balances of public funds held less the amount of funds insured by the Federal Deposit Insurance Corporation.

B. Mandatory Withdrawal from Collateral Pool

- 1. Mandatory Withdrawal Generally. A qualified public depository shall be

required to withdraw upon failure to meet the conditions of membership. In order for a depository to be readmitted to the pool, it must continue to submit the reports required in Section 1.06 of the Public Funds Guaranty Pool Rules and meet the conditions of the membership. If a depository is required to withdraw from the pool more than once, the depository must meet the conditions of membership for two consecutive quarters in order to be readmitted to the pool.

2. Contingent Liability of Withdrawing Qualified Public Depository. A qualified public depository shall be contingently liable for any loss to the pool as provided in the contingent liability agreement for a period of twelve (12) months following the effective date of withdrawal. To assure that an institution can meet its contingent liability, an institution shall continue to maintain pledged collateral in an amount of 105% of the outstanding balances of public funds held less the amount of funds insured by the Federal Deposit Insurance Corporation.

Source: *Miss. Code Ann.* § 27-105-6 (Rev. 2000), § 31-19-5 (Rev. 2007).

*Rule 3.9 Payment of Losses.*

- A. Priority for Multiple Losses. In the event a default or insolvency occurs to more than one qualified public depository, claims of public depositors shall have priority based on the date of the default or insolvency. Claims arising from a default or insolvency occurring earliest in time shall have priority over claims arising subsequently.
- B. Payment. The Treasurer shall establish the priority of claims arising from multiple defaults or insolvencies and pay public depositors based on the priority established.

Source: *Miss. Code Ann.* § 27-105-6 (Rev. 2000), § 31-19-5 (Rev. 2007).

## **Title 38: Treasurer**

### **Part 2: Mississippi Prepaid Affordable College Tuition Program**

#### **Part 2 Chapter 1: Program Description**

*Rule 1.1 Program Description.* The Mississippi Prepaid Affordable College Tuition (MPACT) Program was established as an agency and instrumentality of the State of Mississippi by the 1996 Mississippi Legislature as a program to assist Mississippians in saving for some of the costs associated with a college education. The purpose of the program is to encourage and foster higher education in Mississippi and for Mississippians. The program's statutory authority and purpose are controlled by Mississippi Code §37-155-1 to 37-155-27 (Rev 2003).

The prepaid tuition program, commonly known as MPACT, is administered by the College Savings Plans division of the Mississippi Treasury Department, under the administrative authority of the State Treasurer and with the guidance of a Board of Directors. Through the MPACT Program, parents, grandparents and other interested parties may purchase prepaid tuition contracts. The MPACT contract provides for the payment by the MPACT Trust Fund of undergraduate tuition, for a specified number of years or semesters, 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, junior colleges and community colleges in the State of Mississippi, and on the number of years expected to elapse between the purchase of a contract and the exercise of the benefits provided in the contract by the beneficiary. The Board of Directors established the costs of MPACT contracts in accordance with actuarial assumptions adopted by the Board at the recommendation of independent actuaries.

Payments by MPACT contract purchasers are placed in the MPACT Trust Fund in the State Treasury and are combined and invested by the State Treasurer with the goal of yielding, at a minimum, 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. The MPACT Contract Purchaser receives periodic statements reflecting amounts paid into the Trust Fund.

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 2 Chapter 2: Location of MPACT Office**

*Rule 2.1* MPACT's physical office is located on the eleventh (11th) floor of the Woolfolk State Office Building, 501 N. West Street, Jackson, Mississippi, 39201. The mailing address for correspondence and applications is MPACT, P.O. Box 120, Jackson, MS 39205-0120. The mailing address for contract payments is MPACT, P.O. Box 1199, Jackson, MS 39215-1199. Office hours are 8:00 A.M. through 5:00 P.M., Monday through Friday, except for legal State Holidays. Persons may obtain forms, publications, and documents by writing to, visiting, or calling the MPACT Office at 601-359-5255 or 1-800-987-4450. Information regarding the MPACT Program is also available on the internet at [www.collegesavingsmississippi.com](http://www.collegesavingsmississippi.com).

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003), §37-155-15.

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

*Rule 3.1* MPACT is administered as part of the State Treasury Department 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 board members are appointed by the Governor, one from each of the State's congressional districts. The other four *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 legislative advisors to the Board, two appointed by the Lieutenant Governor and two appointed by the Speaker of the House of Representatives.

The Board, in conjunction with a qualified actuarial firm, has constructed the prices of MPACT contracts and has developed payment schedules for MPACT contract purchasers, in accordance with the actuarial assumptions recommended by the Actuary and adopted by the Board.

The fiscal year of the MPACT Program corresponds to the fiscal year of all other state entities, *i.e.* July 1st through June 30th. Each fiscal year, the Board will evaluate, or cause to be evaluated, the actuarial soundness of the Trust Fund. The Board will prepare a report on an annual basis setting forth an accounting of the Trust Fund and a description of the financial condition of the Trust Fund.

In carrying out Board Policies, it is the intent of the Board that the objectives are; first to protect the fiscal integrity of the trust fund; and, second to be fair and equitable to the purchaser. Whenever possible, procedures adopted should be a combination of these factors which achieve both objectives. Under the provisions of Mississippi Code Ann., §37-155-9(*ee*), the Board has delegated to the State Treasurer the power to make decisions within the above guidelines on the details of interest, conversion, administrative fee, matriculation and refund calculations for the MPACT Program.

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

## **Part 2 Chapter 4: The Trust Fund**

*Rule 4.1* 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 State Treasurer in accordance with statute and the Investment Policy of the Board.

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

## **Part 2 Chapter 5: The Administrative Fund**

*Rule 5.1.* 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 2 Chapter 6: Definitions**

*Rule 6.1.* In these rules, regulations and procedures of the MPACT Program, the following terms shall be defined as follows:

- A. “Academic School Year” means three quarters or two semesters of a twelve month school year.
- B. “Actuarial Assessment” means an additional contract amount assessed by the State Treasurer to preserve the actuarial soundness of the Trust Fund. For an unpaid or partially paid lump sum account, this amount will be a percentage of the outstanding balance per month determined by the actuary. For the reinstatement of a Monthly Payment Plan the actuarial assessment is the difference between the present value of the prescribed monthly payments and the present value of the payments actually made by the purchaser. The actuarial assessment for a change in length of a monthly payment contract is the difference between the present values of the contract payments of the old and new payment schedules.
- C. “Administrative Fees” means those fees, listed in Chapter 12, which are assessed to the MPACT Contract Purchaser upon making 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.

- D. "Application" means a request for acceptance into the MPACT Program, made on a form, or a duplicate of the form, prepared by the State Treasurer.
- E. "Application Processing Fee" means the processing fee, specified in Section 12.011, paid by the MPACT Contract Purchaser upon application for entrance into the MPACT Program.
- F. "Cancellation" means voluntary discontinuation of the Purchaser from the MPACT Program and voluntary discontinuation of the Qualified Beneficiary's right to receive benefits under an MPACT Contract, when requested by the Purchaser, so long as the Purchaser has provided at least thirty (30) days' written notice to the State Treasurer and has submitted all applicable Administrative Fees. An MPACT contract may also be involuntarily canceled for any of the following: - The Purchaser fails to make payments pursuant to the Master MPACT and/or the Participation and Payment Schedule; 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.
- G. "Current Tuition Value" means the weighted average of undergraduate In-state Tuition and Mandatory Fees at the four-year Institution's of Higher Education for senior college contracts and it means the weighted average of In-state Tuition and Mandatory Fees at the two-year Institution's of Higher Education for community/junior college contracts.
- H. "Contract Purchaser" means 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.
- I. "Disability of the Purchaser" means disability as defined in the applicable rules, regulations, and guidelines of the Social Security Administration.
- J. "Disability of the Qualified Beneficiary" means a disability which, based on the findings of a qualified health care professional, and on approval of these findings by the Board, renders the Qualified Beneficiary incapable of participating in higher education.
- K. "Enrollment Period" means any period designated by the Board during which Applications for enrollment in the MPACT Program will be accepted by the State Treasurer.

- L. "Immediate Family" for purposes of these rules means any of the following relations of the Qualified Beneficiary: brother, legally adopted brother, sister, legally adopted sister, half brother, step-brother, half sister, step-sister. Effective on and after January 1, 2002, first cousins also will qualify as members of the immediate family of the Qualified Beneficiary.
- M. "Independent/Private In-state Postsecondary Institution" means any in-state regionally accredited private four or two year college located in Mississippi.
- N. "In-state Tuition Rate" means the tuition rate charges 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.
- O. "Institution of Higher Education" means any college or university listed in Section 7 and any other college or university in Mississippi which is recognized as an Institution of Higher Education by the Board of Trustees of Institutions of Higher Learning and the Commissioner of Higher Education, whether or not such an institution is listed in Part 1 Chapter 7.
- P. "IRC § 529" means Section 529 of the Internal Revenue Code of 1986, as amended.
- Q. "MACS Program" means the Mississippi Affordable College Savings Direct Program or the Mississippi Affordable College Savings Advisor Program.
- R. "Mandatory Fees" means those fees required as A CONDITION OF ENROLLMENT for ALL students attending the Postsecondary Institution in which the Qualified Beneficiary is enrolled and to which the Trust Fund payments will be made on behalf of the Qualified Beneficiary. Those fees charged to all students may include, but are not limited to, athletic fees, activity fees, health center fees, etc. Those fees which are unique to a particular student or group of students such as lab fees are not considered to be mandatory. The term "Mandatory Fees," as used herein, does not include charges for books, supplies, room, or board even if the Postsecondary Institution attended by the Qualified Beneficiary requires all students to pay such charges. Additionally, the term "Mandatory Fees" does not include application entrance fees paid to Postsecondary Institutions when the Qualified Beneficiary applies for enrollment or orientation fees.
- S. "Master MPACT Contract" means the legal document which specifies the terms and conditions of the MPACT Program.
- T. "MPACT Contract" refers collectively to the MPACT Application, the Master MPACT Contract, 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.

- U. “Official Change Period” means any period so designated by the Board during which the MPACT Contract Purchaser may submit a written request for approval of changes in MPACT Contract terms, conditions, or information. Such changes may include, but are not limited to, changes in the Participation and Payment Schedule; changes in information provided on the 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.
- V. “Out-of-State Postsecondary Institution” means any out-of-state regionally accredited private four or two year college or an out-of-state regionally accredited, state-supported, nonprofit four or two year college or university.
- W. “Participation and Payment Schedule” means the document, prepared by the State Treasurer, which defines the frequency, duration, and due date of MPACT Contract Payments, based on information provided by the Purchaser on the MPACT Application.
- X. “Postsecondary Institution” means 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.
- Y. “Projected College Entrance Date” means 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 and subject to the provisions of Chapter 11 Rule 11.2a, 11.2b and 11.4 herein. The Projected College Entrance Date is calculated by the State Treasurer based on information provided by the Purchaser in the MPACT Application. The State Treasurer will provide the Qualified Beneficiary’s Projected College Entrance Date to the Purchaser.
- Z. “Qualified Beneficiary” means an individual who meets all Beneficiary eligibility criteria as specified in Section 9.00 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 assumes that the Beneficiary meets the Beneficiary eligibility requirements of MPACT, and is, therefore, a Qualified Beneficiary.
- AA. “Qualified Tuition Plan” or “QTP” means 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 tuition programs: The Mississippi Prepaid Affordable College Tuition (MPACT) Program and the Mississippi Affordable College Savings (MACS) Program.

- BB. “Redemption Value” means the amount of refund which shall include but not be limited to the amount paid in and an additional amount in the nature of interest at a rate that corresponds to the prevailing interest rates for savings accounts provided by banks and savings and loan associations. 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.
- CC. “Resident” means a person who has established legal residence in the State of Mississippi, that is, the place where he 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. However, for contracts entered into after July 1, 2003, 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.
- DD. “Rollover” means a non-taxable transfer between QTP’s as allowed under IRC § 529.
- EE. “Scholarship,” “Partial Scholarship” or “Full Scholarship” means 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.
- FF. “Substitute Beneficiary” means an individual named by the MPACT Contract Purchaser to receive, in place of the originally named Qualified Beneficiary, the benefits guaranteed under the MPACT Contract and who meets the eligibility criteria specified in Chapter 9 Rule 9.3.
- GG. “Termination” means involuntary discontinuation of the Purchaser from the MPACT Program 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: The Purchaser or Beneficiary has made a material misrepresentation of information; The Purchaser or Beneficiary has provided false information to the MPACT Program; 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, Such other reasons as the State Treasurer may reasonably impose.
- HH. “UTMA” or “UGMA” mean the Uniform Transfer to Minors Act or the Uniform Gift to Minors Act.

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

## **Part 2 Chapter 7: Mississippi Public Colleges and Universities**

*Rule 7.1.* These Rules, Regulations, and Procedures apply to Purchasers and Qualified Beneficiaries of MPACT Contracts for the prepayment of tuition and Mandatory Fees, as defined in Chapter 11 Rule 11.2, at any of the State's public four year colleges and universities, public junior colleges, public community colleges, public technical colleges, and public senior colleges. These Institutions of Higher Education currently are as follows:

### **A. Four Year Public Institutions of Higher Education:**

1. Alcorn State University
2. Delta State University
3. Jackson State University
4. Mississippi State University
5. Mississippi University for Women
6. Mississippi Valley State University
7. University of Mississippi
8. University of Southern Mississippi

### **B. Two Year Public Institutions of Higher Education:**

1. Coahoma Community College
2. Copiah-Lincoln Community College
3. East Central Community College
4. East Mississippi Community College
5. Hinds Community College
6. Holmes Community College
7. Itawamba Community College
8. Jones County Junior College
9. Meridian Community College
10. Mississippi Delta Community College
11. Mississippi Gulf Coast Community College
12. Northeast Mississippi Community College
13. Northwest Mississippi Community College
14. Pearl River Community College
15. Southwest Mississippi Community College

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

## **Part 2 Chapter 8: Contract Purchaser**

*Rule 8.1 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 Chapter 6 Rule 6.29, 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 Chapter 6 Rule 6.29. Other determinations may be mandated as set forth in Chapter 20.

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

*Rule 8.2 Non-acceptance 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 8 Rule 8.1;
- 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 9;
- 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 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;
- H. If the Contract Purchaser submits an Application with incomplete information; or
- I. Such other reasons as may be determined by the State Treasurer or the Board.

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

*Rule 8.3 Number of Purchasers Per Contract.* Only one individual may be named on the MPACT Application and in the MPACT contract as the MPACT Contract Purchaser. Joint Purchasers are not permitted. However, if a given application and contract purchases less than five 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 years as defined in Chapter 11. Each year or multiple of years purchased by a different Purchaser for the same Qualified Beneficiary will be treated as a separate contract.

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

*Rule 8.4 Transfer of MPACT Contract Ownership to Another 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 or become disabled, proof of death or 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. Any request for a change in Purchaser must also contain the MPACT Contract Number as well as the name, address, social security number, and telephone number of the new Purchaser. The request must also be accompanied by the applicable Administrative Fee(s) as described in Chapter 12, Rule 12.1 and 12.2.16. See Chapter 9 Rule 9.5 for additional restrictions applicable to UTMA/UGMA accounts.

If the current Purchaser has died or becomes disabled, the request for transfer of Contract ownership should be submitted to the State Treasurer within six (6) months of the death or Disability. Failure to submit the request within six months may result in involuntary Termination of the MPACT Contract. The refund provisions of Chapter 15 Rule 15.8 will apply.

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

*Rule 8.5 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 8.6 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 2 Chapter 9: Qualified Beneficiary**

*Rule 9.1 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) a resident of the State of Mississippi as defined in Chapter 6 Rule 6.29; 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 Beneficiary 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 9.2 Evidence of Residency.* A Contract Purchaser must execute a statement in the MPACT Application that the Beneficiary is a resident of Mississippi or a nonresident if 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; or
2. Any other documentation that the State Treasurer deems appropriate.

B. If the Beneficiary is over the age of one:

1. A progress report from the Mississippi preschool or Mississippi day care center of the Beneficiary; or
2. A school report card or transcript from a Mississippi public or private school.

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

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

*Rule 9.3 Beneficiary Substitutions.*

A. The benefits of an MPACT Contract may be transferred to an Eligible Substitute Beneficiary. To qualify as eligible, the Substitute Beneficiary must meet all of the following requirements:

1. The individual is (a) a resident of the State of Mississippi as defined in Chapter 6 Rule 6.29, or (b) a nonresident if the Purchaser is a resident of the State of Mississippi;
2. The individual is eighteen (18) years of age or younger
3. The individual has been born at the time the Application is submitted;

4. The Substitute Beneficiary must be a member of the Immediate Family of the original Qualified Beneficiary as defined in Chapter 6 Rule 6.26.

Requests for transfer of the MPACT Contract benefits to an Eligible Substitute Beneficiary must be in writing. All requests for Beneficiary substitutions should be submitted with documentation evidencing the relationship of the Substitute Beneficiary to the Purchaser or the Original Qualified Beneficiary.

B. In general, transfer of MPACT Contract benefits to a Substitute Beneficiary is limited to transfer to a Qualified Beneficiary whose Projected College Entrance Date is the same date or a later date than the Projected College Entrance Date of the originally named Beneficiary. The benefits of an MPACT Contract may be transferred to an Eligible Substitute Beneficiary whose Projected College Entrance Date will occur prior to the Projected College Entrance Date of the originally named Beneficiary in the following cases:

1. In the event of death of the originally named Qualified Beneficiary;
2. In the event that the originally named Qualified Beneficiary becomes Disabled; or
3. In the event the originally named Qualified Beneficiary receives a Full or Partial Scholarship, the terms of which cover all or a portion of the same benefits provided under MPACT Contracts.

If the Purchaser contemplates transfer of Contract Benefits to a Substitute Beneficiary who is older than the originally named Qualified Beneficiary and/or whose Projected College Entrance Date will occur prior to the Projected College Entrance Date of the originally named Qualified Beneficiary, written application for special consideration must be made to the State Treasurer. Proof of age, death, or Disability, or receipt of Scholarship by the original Qualified Beneficiary should be furnished in such form as required by the State Treasurer at the time the request for substitution of the Qualified Beneficiary is submitted.

If the request for Beneficiary substitution is approved, an additional Actuarial Assessment determined to be necessary to insure the actuarial soundness of the Trust Fund may be assessed. Assessment of this additional amount will be made at the time the request for special consideration is approved. Any additional amounts must be paid before the State Treasurer will make the Beneficiary Substitution. Once this additional amount is paid, the Contract Purchaser may resume making payments as originally scheduled before the substitution occurred.

If the Contract Purchaser has established a monthly payment plan, and the MPACT Contract benefits are transferred to an Eligible Substitute Beneficiary whose college entrance date precedes the final Contract Payment under the monthly payment schedule, the Substitute Beneficiary may not use any MPACT Contract benefits unless the contract is paid in full. The Purchaser will be required to pay off the monthly payments, in full, and any outstanding Administrative Fees, in order for the Substitute Beneficiary to utilize any MPACT Contract benefits. In the event the Purchaser elects a lump sum payment schedule, the contract must still

be paid in full, including all additional Actuarial Assessments, and all Administrative Fees, in order for the Substitute Beneficiary to utilize any MPACT Contract benefits.

A non-refundable Administrative Fee, as described in Chapter 12 Rule 12.2.10, may be assessed for the transfer of MPACT Contract benefits to an Eligible Substitute Beneficiary. The Fee must be submitted by the Purchaser at the same time that the written request for substitution of Beneficiary is made.

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

*Rule 9.4 Beneficiary Substitution After Contract Benefits Have Been Utilized by the Original Beneficiary.* Once a portion of contract benefits have been used, beneficiary substitution may be allowed only if the proposed substitute beneficiary meets the requirements for substitution as set out in Chapter 9 Rule 9.3, at least 15 semester hours of tuition benefits remain on the contract, and the substitute beneficiary does not already have an MPACT contract. A request for beneficiary substitution must be made prior to graduation of the original beneficiary.

Source: *Miss. Code Ann.* § 37-155-9 (Rev. 2003), § 37-155-21.

*Rule 9.5 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 Purchasers; and
- 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 2 Chapter 10: Application**

*Rule 10.1 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 10.2 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 Chapter 12 Rule 12.2.1. The MPACT Application Form is hereby incorporated by reference.

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 10.3 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 Chapter 11, Rule 11.4. 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 2 Chapter 11: The MPACT Contract**

*Rule 11.1 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 Chapter 6 Rule 6.20, will be incorporated into the MPACT Contract.

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

*Rule 11.2 Contract Benefits.* The MPACT Contract guarantees, unless otherwise stated herein, payment by the Trust Fund of In-state Tuition and Mandatory Fees on behalf of the Qualified Beneficiary of the MPACT Contract, to the Postsecondary Institution in which the Qualified Beneficiary matriculates.

The MPACT Contract guarantees the following:

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

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 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 Chapter 6, Rule 6.18. No graduate program, continuing education program, professional degree program, or adult education

program is available under the MPACT Contract except as described in Chapter 13 Rule 13.2. 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.

*Rule 11.2.1 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 Summer Term immediately preceding the Projected College Entrance Date 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, including utilization of the benefits during the Summer term immediately preceding the Projected College Entrance Date as well as utilization of the benefits by an accelerated Beneficiary.

*Rule 11.2.2 Beneficiary's Projected College Entrance Date.* At the time of application, if the Qualified Beneficiary's Projected College Entrance Date will be later than the Projected College Entrance Date which is supplied by the State Treasurer and which corresponds to the Beneficiary's current age and/or grade, the MPACT Contract Purchaser must submit a written request to the State Treasurer to change the Projected College Entrance Date to a later year. The written request must be accompanied by sufficient documentation, deemed acceptable by the State Treasurer, substantiating the Purchaser's Request for a change in the Beneficiary's projected College Entrance Date. Acceptable documentation may include a certified letter from the Beneficiary's principal or school teacher verifying that the beneficiary has or will be held back a grade. The Contract Purchaser must also sign a Certification Form, provided by the State Treasurer, agreeing to pay any additional amounts which may be due on the MPACT Contract as a result of providing invalid information about the Qualified Beneficiary's Projected College Entrance Date and/or contract payment amounts due. Both the required documentation and the completed and signed Certification Form must be submitted to the State Treasurer prior to the first payment due date of the MPACT Enrollment Period in which the Qualified Beneficiary is enrolled in the MPACT Program. If the Purchaser fails to provide all documentation within two (2) months of the first day of the MPACT Enrollment Period in question, the State Treasurer may not change the Qualified Beneficiary's Projected College Entrance Date or the MPACT Contract amount due.

Furthermore, when the Qualified Beneficiary begins to use the MPACT Contract benefits, if the Beneficiary enrolls in college in the Projected College Entrance Year which corresponds to the Beneficiary's age or grade, and not in a later year furnished by the Purchaser when the MPACT Contract was purchased, the Contract Purchaser must pay any Actuarial Assessment required to compensate for the difference in the MPACT Contract Price corresponding to the Projected College Entrance Date furnished by the Purchaser during the MPACT Application process, and the actual date of college entrance when the Beneficiary matriculates.

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 MPACT Contract Payment Schedule. However, upon a written request with sufficient documentation from the Purchaser, the projected College Entrance Date will be changed to reflect the revised Projected College Entrance Date.

The Purchaser should provide written notice of intention to advance or to delay benefits under the MPACT Contract a minimum of sixty (60) days prior to the new matriculation date of the Qualified Beneficiary. Failure to give notice within sixty (60) days may result in assessment of a fee to the MPACT Contract Purchaser in accordance with Chapter 12, Rule 12.2.17.

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

*Rule 11.3 Contract Term.* In general, benefits under an MPACT Contract may be received for up to a ten (10) 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 ten (10) years after the actual college entrance date of the Qualified Beneficiary who is an accelerated student.

Prior to the expiration of the ten (10) year limit, as long as an MPACT Contract has not been Terminated or Canceled and is not in default, a Purchaser may request an extension of the time allowed to exercise rights under the Contract. The Purchaser must submit a written request at least one hundred and eighty (180) days prior to the expiration of the ten (10) year limit and must pay a non-refundable renewal fee 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.

If an MPACT Contract has not been Canceled or Terminated, and if the Qualified Beneficiary's rights under the Contract have not been fully exercised within ten (10) 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 11.4 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 the assessment of a fee in accordance with the provisions of Chapter 12, Rule 12.2.17 as well as 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 11.5 Identification Cards for Qualified Beneficiaries.* To receive benefits under the MPACT Program, 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 also not be issued unless the Qualified Beneficiary submits a valid social security number. The postsecondary institution in which the Qualified Beneficiary has entered should not invoice the MPACT Trust Fund on behalf of the Beneficiary unless the Beneficiary presents a valid identification card to the appropriate person and office at the college or university in which the Qualified Beneficiary has entered or the Beneficiary's name appears on MPACT's Eligibility list as provided to the postsecondary institution.

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

*Rule 11.6 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 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 Chapter 12 Rule 12.2.3.

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 11.7 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 different Participation and Payment Schedules:

- 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 immediately preceding the Projected College Entrance Date 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 College Entrance Date 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 11.8 Default.* Failure to make any payment within thirty (30) days of the due date shall constitute default by the Purchaser and a suspension of the Qualified Beneficiary's rights under the MPACT Contract. A Purchaser may reinstate his or her good standing provided that all delinquent amounts, including an Actuarial Assessment, and all Administrative Fees, including late payment fees, have been paid.

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

*Rule 11.9 Reinstatement.* If within 180 days of default payment is not received, the contract will be placed in suspended status, unless there is a determination by the Board of an exigent circumstance. 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 Chapter 11 Rule 11.10 through 11.13) in order to convert the account to some arrangement where they will not be delinquent. The Purchaser may also elect to voluntarily cancel the contract as described in Chapter 14 and Chapter 15, Rule 15.7.

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

*Rule 11.10 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 11.11 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 10th 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, including at the time of a Beneficiary substitution, 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. In such cases, the Purchaser can obtain a payoff amount by calling 1-800-987-4450.

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

*Rule 11.12 MPACT Contract Payment Methods.* Any one of a variety of payment methods is available to an MPACT Contract Purchaser. These may include payment by coupon book, automatic deduction from a bank account (automatic clearinghouse checks), 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 11.13 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. Requests for modifications, may include, but are not limited to, a change in Contract Purchaser or transfer of the Contract benefits to an Eligible Substitute Beneficiary.

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

*Rule 11.14 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 courses, graduate program, first professional program, or adult education program is available under the MPACT Program except as described under Chapter 13, Rule 13.2.

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 11.15 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 your contract but enables the program to pay your 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 1 Chapter 12: Administrative Fees**

*Rule 12.1 Administrative Fees.* Administrative Fees are assessed when a Purchaser submits an application for an MPACT Contract, when payments are made or when alterations are made in Contract information or in the ordinary services provided under the MPACT Program. 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 12.2 Fees Assessed and Fee Schedules.* The following Administrative Fees and fee schedules will apply to all Purchasers of MPACT Contracts, subject to changes the State Treasurer may make over the life of the Contract in the types and/or amounts of such Administrative Fees:

- A. 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.
- B. 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.
- C. Account Maintenance Fee - All MPACT Contract payments include a nonrefundable account maintenance fee. The account maintenance fee for monthly payment contracts is \$2.00 per month. The account maintenance fee for lump-sum payment contracts is \$3.00 per year till matriculation of the Qualified Beneficiary.
- D. Cancellation Fee - An MPACT contract may be canceled for any of the following:
  - 1. The Purchaser submits a written request;
  - 2. The Purchaser fails to make payments pursuant to the Master MPACT and/or the Participation and Payment Schedule;
  - 3. 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. Effective for cancellations on or after January 1, 2002, the cancellation fee will be Fifty percent (50%) of the amount paid into the Trust Fund, up to a maximum of twenty five dollars (\$25.00), excluding Administrative Fees.

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.

E. Termination Fee - 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; or
4. 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 (\$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 Chapter 15 Rule 15.8.

F. Substitution of Beneficiary Fee - A twenty dollar (\$20.00) fee will be assessed to transfer MPACT Contract benefits to a Substitute Beneficiary. In the event of death or Disability of the original Beneficiary, or in the event the Beneficiary receives a Full or Partial Scholarship, this fee may be waived. Proof of death or Disability of the Qualified Beneficiary, or receipt of a Full or Partial Scholarship by the Qualified Beneficiary, must be provided in such form as deemed acceptable by the State Treasurer.

G. Fee for Transfer of Contract Ownership to Another Purchaser - A twenty dollar (\$20.00) fee will be assessed to transfer ownership of the MPACT contract to a different Purchaser in accordance with the provisions of Section 8.03 herein. In the event of Death or Disability of the current Purchaser, this fee may be waived.

H. Fee for Enrollment in an Independent/Private In-state Postsecondary or Graduate Institution or in an 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 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 13. Each time a transfer occurs, the MPACT Contract Purchaser may be assessed a twenty-five dollar (\$25.00) processing fee per transfer.

- I. Late Payment Fee - A late payment fee of fifteen (\$15.00) dollars 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 \$15.00 or 1%, whichever is greater. A grace period, up to four (4) days in length, may be granted when a federal and/or State holiday occurs within the fifteen (15) days specified in this Section. If a Purchaser's payments are habitually late, the State Treasurer, at his discretion, may suspend the Contract as described in Chapter 11 Rule 11.9.
- J. Fee for Return Items - A fifteen dollar (\$15.00) returned item fee shall automatically be assessed for any returned item including, but not limited to, payment made by check or through ACH (Automatic Clearinghouse). Such payments include both MPACT Contract payments and Administrative Fee payments that are returned.
- K. Fee for Document Replacement or Copies - Except as provided herein, Purchasers and/or Beneficiaries shall automatically be assessed a seven dollar (\$7.00) 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. If another gift pack is requested, a \$7.00 fee will be assessed for the entire gift pack rather than for each document contained in the gift pack. However, 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 \$7.00 fee. The additional amount shall not exceed \$25.00 per request from the Contract Purchaser.
- L. Fee for Failure to Provide Sufficient Notification of Intent to Use the Contract Benefits - Pursuant to Chapter 11, Rule 11.4 of these Rules, Regulations, and Procedures, the Purchaser should give at least sixty (60) days written notification of the Beneficiary's intent to use MPACT contract benefits to attend a private or out-of-state postsecondary institution and should specify the Postsecondary Institution the Beneficiary will attend. Failure to provide adequate notification may result in assessment of a forty-five dollar (\$45.00) fee. This fee must be paid by the Purchaser before benefits under the MPACT Contract will be paid to the Postsecondary Institution in which the Qualified Beneficiary has matriculated.
- M. Fee for Changes in Payment Schedule - A twenty dollar (\$20.00) processing fee will be assessed for a change in payment schedule.

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

## **Part 2 Chapter 13: Attendance at an Independent/Private In-state or Out-of State Postsecondary Institution**

*Rule 13.1 Utilization of MPACT Contract Benefits at an Independent/Private Postsecondary Institution or at an Out-of-State Postsecondary Institution.* In the event the Qualified Beneficiary matriculates in an Independent/Private In-state Postsecondary Institution or in an Out-of-State Postsecondary 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 Chapter 11, Rule 11.2. In no case will the amount forwarded ever exceed the cost of undergraduate 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 Section 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 Chapter 12, Rule 12.2.12;
- C. The State Treasurer has received a valid invoice from the Beneficiary's college or university 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 Section 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.

*Rule 13.2 Utilization of MPACT Contract Benefits at an In-State or Out-Of-State Graduate Institution.* In the event the Qualified Beneficiary with unused contract benefits attends an In-State or Out-of-State Graduate Institution, the Current Tuition Value will be forwarded, each academic term, to the Graduate Institution on an academic equivalent hourly basis subject to the provisions of the MPACT Contract described in Chapter 11, Rule 11.1. In no case will the amount forwarded ever exceed the cost of tuition plus Mandatory Fees of the Graduate Institution to which the money is forwarded for the particular academic hours and term in question.

Forwarding of MPACT Contract benefits under this Section 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 Chapter 12, Rule 12.2.12;
- C. The State Treasurer has received a valid invoice from the Beneficiary's 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 Section 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 2 Chapter 14: Termination or Cancellation of MPACT Contract**

*Rule 14.1 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 14.2 Individual Entitled to Cancel an MPACT Contract.* The person entitled to cancel an MPACT Contract is the Contract Purchaser.

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

*Rule 14.3 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 2 Chapter 15: Refunds of Amounts Paid Into the Trust Fund**

*Rule 15.1 General.* Unless otherwise stated herein, refunds will be paid to the Purchaser. Refund amounts will be based on the reason for Terminating or Canceling an MPACT Contract. Except as provided herein, refunds shall include but not be limited to the amount paid in and an additional amount in the nature of interest at a rate that corresponds to the prevailing interest rates for savings accounts provided by banks and savings and loan associations. 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, a refund will not be available. As soon as a Qualified Beneficiary attains a baccalaureate degree, and/or utilizes the total number of credit hours guaranteed under the Contract, all services under the MPACT Contract will be Terminated. Any refund made to the Purchaser will occur only after the Purchaser has paid any outstanding Administrative Fees.

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.

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

*Rule 15.2 Refund in the Event of Death or Disability of the Qualified Beneficiary.* Refunds may exceed the amounts paid into the Trust Fund and the minimum interest as specified in Chapter 15 Rule 15.1 in the following circumstances: In the event of death or Disability of a Qualified Beneficiary. In any of these circumstances, the Purchaser shall receive a refund equal to the sum of all MPACT Contract payments paid to date, excluding all Administrative Fees, minus any amount paid by the Trust Fund to Postsecondary Institutions on behalf of the Qualified Beneficiary, with such net amounts adjusted to reflect the increase in Current Tuition Value over the period from the purchase of the MPACT Contract to the date the refund calculation is made.

For the refund provisions stated herein to apply, the Purchaser must submit a written request for Cancellation of the MPACT Contract. The written request should be submitted within one hundred eighty (180) days of the death or Disability of the Qualified Beneficiary. Furthermore, proof of death, Disability, or qualification must be submitted in such form as is deemed acceptable by the State Treasurer. If the written request and required documentation are not

submitted within the one hundred eighty (180) day deadline, the refund provisions of Chapter 15 Rule 15.8 may apply.

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

*Rule 15.3 Refund in the Event of a Reduction in Tuition and/or fees for a Child of an Employee of a Postsecondary Institution.* Some Postsecondary Institutions may charge lower tuition and/or fees to a student who is a child of an employee of the Postsecondary Institution. If an MPACT Contract Beneficiary is eligible for this reduction, the Contract Purchaser may elect to cancel the MPACT Contract and request a refund under Chapter 15, Rule 15.7 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 the Beneficiary receives a tuition reduction from the college or university 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 15.4 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 Chapter 15, Rule 15.7 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 15.5 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, with such net amounts adjusted to reflect the increase in Current Tuition Value over the period from the purchase of the MPACT Contract to the date the refund calculation is made.. 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 Chapter 15, Rule 15.8 may apply. The provisions herein apply to attendance at any one of the following military academies: The United States Air Force Academy in Colorado Springs, Colorado, The United States Naval Academy in Annapolis, Maryland, The United States Military Academy at West Point, New York, The United States Merchant Marine Academy at Kings Point, New York, The United States Coast Guard Academy in New London, Connecticut

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

*Rule 15.6 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 15.7 Refund in the Event Qualified Beneficiary Graduates With Unused Contract Hours.* If a Qualified Beneficiary completes an undergraduate program and obtains a baccalaureate degree without using all semester hours purchased in their MPACT contract, the remaining contract hours may be used for graduate school as described under Chapter 13, Rule 13.2. If the Beneficiary will not be attending graduate school, the Purchaser may request at refund to be based on the cost of the number of remaining hours in their contract adjusted to reflect the increase in Current Tuition Value over the period from the purchase of the MPACT Contract to the date the refund calculation is made. Such requests must be in writing and include appropriate written documentation, acceptable to the State Treasurer, that the Beneficiary has received a baccalaureate degree. If the Beneficiary has not earned an undergraduate degree, the refund provisions of Chapter 15, Rule 15.8 will apply.

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

*Rule 15.8 Other Refunds.* Refunds for reasons or circumstances other than those stipulated above in Chapter 15 Rule 15.1 thru 15.6 may 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 2 Chapter 16: Rollovers**

*Rule 16.1 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 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 16.2 Rollovers from MACS to MPACT.* Purchasers desiring to transfer money from a MACS Account to pay for their MPACT Contract must contact the MACS Program Manager to request a rollover. Purchasers should also complete, sign and transmit to MPACT an MPACT Rollover Form.

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

*Rule 16.3 Rollovers from MPACT to MACS.* Purchasers desiring to transfer money from their MPACT Contract to a MACS Savings Account may request such a transfer by signing a letter cancelling their contract and requesting the refund to be sent to their MACS Account. The MACS Account must be already opened and a MACS Account Number provided at the time of the request.

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

*Rule 16.4 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 an MPACT Rollover Form as notification to expect the rollover payment.

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

*Rule 16.5 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 may request such a transfer by signing a letter cancelling their contract and requesting the refund to be sent to their other QTP Account. 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 2 Chapter 17: Special Petition**

*Rule 17.1 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 are final.

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

## **Part 2 Chapter 18: Miscellaneous Provisions**

*Rule 18.1 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 such Rules, Regulations, and Procedures as is necessary for operation of the MPACT Program.

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

## **Part 2 Chapter 19: Waiver of Rules, Regulations, and Procedures**

*Rule 19.1 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 2 Chapter 20: MPACT Rules, Regulations and Procedures for Corporations, Trusts, Charitable Organizations and Other Qualified Entities**

*Rule 20.1 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 corporations, trusts, charitable organizations, foundations, civic groups and other interested parties, who are not natural persons, to enter into MPACT Contracts. This type of Contract will also provide educational benefits to Beneficiaries who might otherwise not be able to afford Postsecondary education. For the purpose of these Rules, Regulations, and Procedures, the term “Entity” shall mean any corporation, trust, charitable organization, or any other business or organization which is not a natural person and which is approved by the State Treasurer for the purchase of an MPACT Contract. 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 20.2 Eligibility of the Purchaser.* The Purchaser of an MPACT Contract may be any Entity approved, in writing, by the State Treasurer.

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

*Rule 20.3 Naming the Beneficiary.* An Entity which purchases an MPACT Contract is required to name the Contract Beneficiary at the time the MPACT Application is submitted to the State Treasurer, unless the entity is a State or local government or an organization described in section

501(c)(3). If an exempt entity, such as a State or local government or an organization described in section 501(c)(3), submits an MPACT Application for an unnamed Beneficiary, 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 20.4 Beneficiary Eligibility.* If the Beneficiary is named at the time the MPACT Application is submitted to the State Treasurer, the Beneficiary eligibility requirements of Chapter 9, Rule 9.1 are applicable. If the Beneficiary is not named, pursuant to the exemption stated in Chapter 20, Rule 20.3, 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 College Entrance Date provided in the MPACT Application by the Entity.
- D. The Beneficiary must be born and have a valid birth certificate.

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

*Rule 20.5 Failure to Name the Beneficiary.* Failure to name the Beneficiary within the time frame specified in Chapter 20, Rule 20.3 will result in a Cancellation of the MPACT Contract, and the monies will be refunded from the trust fund including but not 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 and the Board may impose reasonable charges for such refund.

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

*Rule 20.6 Beneficiary Substitutions.* Should the named Beneficiary elect not to use the MPACT Contract benefits, and the Contract is transferred to an Eligible Substitute Beneficiary, the provisions of Chapter 9, Rule 9.3 will apply. The Purchaser may be required to submit documentation evidencing the relationship of the Eligible Substitute Beneficiary to the first Beneficiary.



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

*Rule 20.7 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 Chapter 10, Rule 10.2 and Chapter 20, Rule 20.3.

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

*Rule 20.8 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.

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

## **Part 2 Chapter 21: Dormitory Residence Plan**

*Rule 21.1 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 a 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.