THE COLLEGE TUITION BENEFIT®

Financial Wellness Begins with Education

FREQUENTLY ASKED QUESTIONS

College Tuition Benefit® makes it possible for our benefit partners to provide participants' and policy holders' children, grandchildren, nieces, nephews, stepchildren and godchildren with guaranteed college scholarships at almost 40% of the National Association of Independent Colleges and Universities, NAICU, thereby addressing American families number one financial and lifestyle concern.

What are Tuition Rewards®?

Think of Tuition Rewards Points as similar to "frequent flyer miles" that can be redeemed for guaranteed discounts on college undergraduate tuition, starting with the freshman year, at nearly 460 participating private colleges & universities. Instead of earning Tuition Rewards by flying, you can earn Tuition Rewards Points through a variety of different channels.

A student's Tuition Rewards Points represent the guaranteed minimum amount of institutional financial aid (i.e. scholarships and/or institutional grants) that a participating college will award to the student. The student may receive more financial aid than the rewards points represent, but he or she will not receive less! For example, if you redeem 30,000 points for a student, we guarantee that the student will receive at least $30,000 in financial aid!

What are the program deadlines?

Students must be in the Tuition Rewards Program prior to August 31 of the year that the student begins 12th grade. Students cannot earn or receive Tuition Rewards Points after August 31 of the year that the student begins 12th grade. A student's sponsor (the Tuition Rewards account holder) must submit a student's statement to any member school he or she applies to within 10 days of the student's application to that school.

How much can I save off tuition?

The maximum that schools are obligated to accept is 25% of the cost of tuition (based on freshman year tuition), spread equally over four, or five, years of undergraduate education. For example, if the "list price" of tuition for a school is $40,000 per year when your student matriculates, this means that your guaranteed minimum discount would be up to $10,000 per year (providing that you submitted

at least 40,000 points to the school). These amounts are taken from the published list prices as shown in the Higher Education Directory each year. One point equals one dollar in tuition discounts.

Will my Tuition Rewards ever expire?

Tuition Rewards in a sponsor's account (as shown on the Account Statement page) will never expire. Unused Tuition Rewards left allocated to a student (i.e. in a student's account) will expire on August 31st three years after the year of high school graduation. Unused rewards should be moved back to the sponsor's account prior to the expiration date.

Why are so many colleges joining the Tuition Rewards?

That's easy -- they want to attract more students, or better students, or both. And, they're eager to attract qualified students who might not be familiar with their college. Colleges know that the direct costs (professors, teaching materials, etc.) for additional students are less than the full tuition for those students. So, by guaranteeing you a discount off the listed price of tuition based on the dollars you've invested - as long as colleges cover their direct costs, they come out ahead. Our colleges understand that they need to remain affordable, and they're eager to reward families who are truly saving for college.

Why should my family participate?

Did you know that at public universities, according to a UCLA study, only 28% of incoming freshmen graduate in four years - versus 67% of freshmen at private universities? The percentage of students who graduate in four years at a private college is the same as the percentage who graduate in six years at a state college. An earlier graduation means less tuition spent, and the student can begin to repay any loans sooner - which means less accrued interest. Add to that the increased financial aid available at private colleges and private colleges are less expensive than you realize - and our program makes attending a private college even more affordable.

Who can I “sponsor” in Tuition Rewards?

You can sign up children, grandchildren, nieces, nephews and other family members (including great/grand relations, step, God, and adopted children) to use your Tuition Reward Points. You cannot sponsor students such as your neighbor's or co-worker's children where there is no family relationship.

Must I allocate points to my students equally?

No, it is up to you to decide how you want to give your Tuition Rewards to the students you sponsor. We recommend that sponsors allocate Points to the oldest child first; if he or she doesn't attend a member college, transfer the Points to the next-oldest child in your family.

What do I do when my student applies?

Within 10 days of the student's actual application, sign into your account, locate the student on your "My Students" page and follow the link to submit his or her rewards. Do not submit a student's rewards weeks or months late or early. Please submit rewards only to schools that the student has actually applied to.

What if I can't use my Tuition Rewards?

If you don't use your Tuition Reward Points, then you've still lost nothing; Tuition Rewards is a free program for families.

Are my students guaranteed admission?

No, each school's normal admission's standards still apply.

Can we still apply for other financial aid?

Absolutely! The purpose of the Tuition Rewards Program is to insure that the student(s) you've sponsored will receive a scholarship at least equal to the size of his/her Tuition Rewards. He or she may receive more aid, but cannot receive less!

What if my student receives a merit scholarship?

Tuition Rewards represent the minimum scholarship, spread evenly over four years, a participating student will receive if and when he/she attends a participating school. If your student receives a scholarship or other institutional aid from a member school, then the school can choose to "blend" (include) or "stack" (add on top) the Tuition Rewards with the other scholarship funds, grants or other discounts.

What about fees, room, board and books?

No, just tuition.

What about graduate, part-time or summer classes?

No, Tuition Rewards can only be used for full time, undergraduate education beginning with the freshman year at a participating private college or university.

What if my student transfers to a member college?

It's up to the school that he or she is transferring to. While there is no contractual obligation to the Tuition Rewards Program that would require that the school honor the rewards, most schools are willing to honor at least a portion of the rewards.

Can I ever cash out my rewards?

No. Tuition Rewards are Points and are never awarded in cash.

I don't see any colleges of interest. My child is in 9th grade. Why should I participate?

By the time your child is ready to apply to college, additional schools of interest are likely to join. It costs you nothing to participate in the program, regardless of where your child goes to college. After doing research, you may find that we offer many appealing choices. Or, you may have another child - or niece, nephew or grandchild -- who could benefit in the future.

What if a college joins after I sign up my child?

Yes! That's the beauty of Tuition Rewards -- as more colleges join, Tuition Reward Points are applied to these schools, too -- and, you have more choices!

Is the tuition reduction taxable?

We are not tax attorneys; however, IRS Publication 970, "Tax Benefits for Education", states clearly, "You do not have to include a qualified tuition reduction in your income." Tuition Rewards meets the qualified tuition reduction definition.

This sounds too good to be true. What's the catch?

The "catch" is that member schools are encouraged to recruit the students whom you sponsor (but not before the student is in high school). Your students are likely to receive some mail or e-mail from the participating colleges and universities after they begin high school. We do not share your, the Sponsor's, information with any schools or other third parties.