# ALL ABOUT YOUR Florida Investment 529 Plan

Program Description and Participation Agreement

FLORIDA PREPAID



Important notes to investors:

Carefully consider the investment objectives, risks, charges, and expenses before investing in the Florida investment 529 Plan. Please read this Program Description and Participation Agreement carefully.

As with any investment, it is possible to lose money by investing in this Plan. The value of your Florida Investment 529 Plan Account may fluctuate, and it is possible for the value of your Account to be less than the amount you invested.

Before investing in a 529 plan, you should consider whether the state in which you or your designated Beneficiary reside or have taxable income has a 529 plan that offers favorable state income tax, or other benefits such as financial aid, scholarship funds, and protection from creditors, that are available only if you invest in that state's 529 plan.

This information is for educational purposes only and is not intended as tax, legal, or investment advice.

The Florida Investment 529 Plan is offered by the Florida Prepaid College Board. The Florida Investment 529 is different from the Florida Prepaid College Plan. The Florida Investment 529 Plan is not guaranteed by the State of Florida, the Florida Prepaid College Board, or the Florida State Board of Administration.

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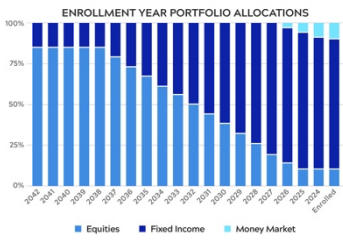
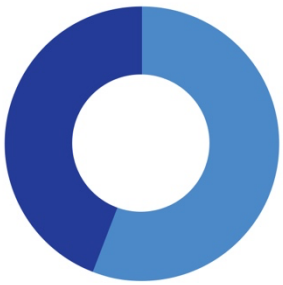
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**Effective Date: July 2025**

# OVERVIEW

One of the most important things you can do for your children is to invest in their education. The Florida Investment 529 Plan allows you to develop your own plan to save - you decide how much to save and when to save.

| Feature | Description |
|---|---|
| 529 Plans | Tax-advantaged plans to help individuals and families save for education. |
| Tax Benefit | Earn money free from federal income tax to pay for qualified higher education expenses, including:<br>• Tuition and Mandatory Fees<br>• Certain room and board<br>• Books, supplies, and equipment<br>You may also pay certain tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private, or religious school.<br><br>*Please note contributions are not deductible for federal income tax purposes.* |
| Administrator | FLORIDA PREPAID<br>**Correspondence:**<br>Florida Prepaid College Board<br>PO Box 31088<br>Tampa, FL 33631-3088<br><br>**Contributions:**<br>Florida Prepaid College Board<br>PO Box 31483<br>Tampa, FL 33631-3483 |
| Program Partners | Records Admin.: CATALIS<br>Consultant: AON<br>Custodian: NORTHERN TRUST<br>Audit Services: CRI CARR RIGGS & INGRAM CPAs and Advisors<br>Investment Management: Vanguard<br>Investment Management: BlackRock<br>Investment Management: WELLINGTON MANAGEMENT<br>Investment Management: EatonVance<br>Investment Management: FLORIDA PRIME<br>Investment Management: Dimensional |
| Account Owner Eligibility | Any U.S. citizen or resident alien, 18 years or older, with a valid Social Security or Taxpayer Identification Number may enroll in the Program. There are no income restrictions. |
| Beneficiary Eligibility | Any Florida resident with a valid Social Security or Taxpayer Identification Number may be the Beneficiary of a Florida Investment 529 Plan. There are no income restrictions. |
| Enrollment | Open an Account online at any time; you will be saving in 15 minutes or less.<br>1. Visit MyFloridaPrepaid.com<br>2. Select “Get Started”<br>3. Complete the Application |

<table>
<tr><th>Feature</th><th>Description</th></tr>
<tr><td>Contribute</td><td>Contribute what you can, when you can, there is no minimum. We accept:<ul><li>Automatic Contribution (ACH)</li><li>Check / Money Order / Cashier's Check</li><li>Payroll Deduction</li></ul>Encourage friends and family to contribute through our online gifting portal.<br><br>The Maximum Account Balance is $500,000. Accounts at the maximum balance may continue to accrue earnings, but additional contributions are prohibited.</td></tr>
<tr><td>Investment Options</td><td>
<table>
<tr><th>Enrollment Year Portfolio</th><th>Static Portfolios</th><th>Fund Options</th></tr>
<tr>
<td>A diversified option that reduces equity exposure as the student approaches enrollment.<br>
</td>
<td>Diversified portfolios offering various levels of investment risk and active management.<br></td>
<td>Build a portfolio from individual funds that meet your risk tolerance & investment objectives.<br>
</td>
</tr>
</table>
You may update how <u>new</u> contributions are invested at any time. For money that is already in an Account, the allocation of the Account Balance may be modified up to two times per calendar year.</td></tr>
<tr><td>Fees</td><td>
<table>
<tr><th>Enrollment Year Portfolio</th><th>Static Portfolios</th><th>Fund Options</th></tr>
<tr>
<td>Fund Fee: 0.04% to 0.09%<br>Admin. Fee: 0.00%</td>
<td>Fund Fee: 0.04% to 0.18%<br>Admin. Fee: 0.00%</td>
<td>Fund Fee: 0.02% to 0.78%<br>Admin. Fee: 0.00%</td>
</tr>
</table>
For more information about fees please see Appendix D.</td></tr>
<tr><td>Withdrawals</td><td>Easily access funds online, at any time, by requesting:<ul><li>An electronic transfer</li><li>A check</li><li>Direct payment to an Eligible Educational Institution</li></ul></td></tr>
</table>

**The Florida Investment 529 Plan is not guaranteed and is subject to market conditions**. Carefully consider the investment objectives, risks, charges, and expenses before investing. As with any investment, it is possible to lose money. Please read this Program Description and Participation Agreement carefully.

The U.S Securities and Exchange Commission provides a variety of educational materials about investing. For more information visit investor.gov.

# PROGRAM DESCRIPTION

## INTRODUCTION

Section 529 of the Internal Revenue Code (Code) permits states, state agencies, and certain other groups to establish tax-advantaged plans (529 Plans) to help individuals and families save, invest, and ultimately withdraw funds to cover qualified costs associated with education. Any earnings on money in an Account grow free from federal income tax while in the account and may be withdrawn tax-free if used to pay Qualified Higher Education Expenses (e.g., tuition, mandatory fees, certain room, and board). Depending upon the state where you live or pay state income tax, these earnings may or may not be subject to state income tax. Contributions to your Account are not deductible for federal income tax purposes.

## PROGRAM OVERSIGHT AND ADMINISTRATION

The Florida Investment 529 Program (Program) is administered by the Florida Prepaid College Board (Board), an agency of the State of Florida, authorized by Section 1009.971, Florida Statutes. The Board is administratively housed within the State Board of Administration but independently exercises the powers provided as specified in Sections 1009.97-1009.988, Florida Statutes. The Board is comprised of seven members: the Attorney General, the Chief Financial Officer, the Chancellor of the State University System of Florida, the Chancellor of the Division of Florida Colleges, or a designee appointed separately by each officer to represent them; and three members appointed by the Governor of the State of Florida, subject to confirmation by the Florida Senate. The members of the Board serve without compensation and, at a minimum, meet on a quarterly basis.

Pursuant to Florida law, the Board has the authority to adopt rules to implement and administer the Program and establish investment policies for the Program. The Board establishes a Comprehensive Investment Plan (CIP) and investment guidelines describing the goals, strategies, asset allocation, and performance benchmarks for the Program. In addition, the Board appoints an executive director responsible for day-to-day operations. An annual report is prepared at the close of the fiscal year, which includes a financial description of the Program. The CIP and Annual Report are made available online at MyFloridaPrepaid.com.

**Mailing Address for Correspondence:**
Florida Prepaid College Board
PO Box 31088
Tampa, FL 33631-3088

**Mailing Address for Contributions:**
Florida Prepaid College Board
PO Box 31483
Tampa, FL 33631-3483

The Florida Investment 529 Plan is different from the Florida Prepaid College Plan, for more information about the Florida Prepaid College Plan, please visit MyFloridaPrepaid.com.

## ABOUT INVESTING

Whether you are a first-time investor or have been investing for many years, the following guiding principles can help you on your path to saving and investing.

- Have a financial plan
- Understand your risk tolerance
- Diversify your investments
- Start saving early

The U.S Securities and Exchange Commission provides a variety of educational materials about investing. For more information visit investor.gov.

## HOW IT WORKS

Save for tomorrow's educational expenses, contributing what you can, when you can. Accounts can be opened in 15 minutes or less.

### ENROLL

Any U.S. citizen or resident alien, 18 years or older, with a valid Social Security or Taxpayer Identification Number may enroll in the Program. There are no income restrictions.

You must select a student (or Beneficiary). The Beneficiary must be a Florida resident. The Beneficiary must also be a U.S. citizen or resident alien with a valid Social Security or Taxpayer Identification Number. There are no age restrictions, and you need not be related to the Beneficiary. In fact, you may open a Plan for yourself.

**To Open an Account:**

1. Visit MyFloridaPrepaid.com
2. Select "Get Started"
3. Complete the Application

To complete the application, you will need to provide a name, address, Social Security Number or Taxpayer Identification Number for yourself and for the Beneficiary, and you will need to select an Investment Option(s). Investment Options are discussed in more detail later in this document.

### CONTRIBUTE

Contributions may be made at any time via check, money order, cashier's check, automatic contribution, payroll deduction, or rollover from another 529 Plan. In addition, funds from a liquidated Education Savings Account (ESA), or transferred pursuant to the Uniform Gift/Transfers to Minor Act (UGMA/UTMA), or redeemed from a U.S. Savings Bond may be contributed to an Account at any time.

**Encourage friends and family to contribute through our online gifting portal.**

The Maximum Account Balance is $500,000 per Beneficiary; this is determined by the aggregate investment for the Beneficiary in the Florida Prepaid College Program and Florida Investment 529 Program. Accounts at the maximum balance may continue to accrue earnings, but additional contributions are prohibited.

Contributions are not deductible for federal income tax purposes.

### WITHDRAWAL

Easily access funds online, at any time, by requesting an electronic transfer to a bank account or a paper check to pay expenses, such as tuition, directly from the Account. There is no fee for withdrawal.

If you use the funds to pay Qualified Higher Education Expenses for the Beneficiary, your earnings on those funds are tax-free. In general, Qualified Higher Education Expenses include tuition, mandatory fees, room and board, and the cost of books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution, including undergraduate and graduate schools. Room and board expenses are subject to limitations under Section 529 of the Code. Qualified Higher Education Expenses also include expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school, up to $10,000 (from all 529 Plans for that student, in the aggregate) during the taxable year.

If you make a Non-Qualified Withdrawal, your earnings on those funds are subject to tax.

## INVESTMENT OPTIONS

The Program offers a variety of Investment Options designed to meet the needs of most investors. Options include a pre-designed enrollment year portfolio and custom investment options to build a portfolio. You may update how new contributions are invested at any time. For money that is already in an Account, the allocation of the Account Balance may be modified up to two times per calendar year.

### ENROLLMENT YEAR




The enrollment year portfolios allocate funds between stocks and bonds as a student approaches enrollment. Over time, the investment transitions from majority-stock to majority-bond. Stocks generally exhibit higher returns but may present more risk/volatility – a balance appropriate for a long investment horizon. As the student approaches enrollment, funds are increasingly invested in bonds, which generally exhibit less risk/volatility.

The following table includes the target asset allocations of the enrollment year portfolios. Other than the enrolled portfolio, the target asset allocations generally change on a quarterly basis.

**Asset Class Allocations as of April 2025**

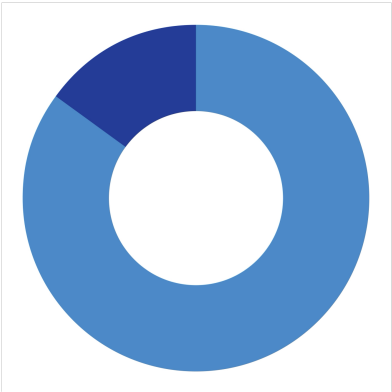
| Enrollment Year | Vanguard US Equity (VSMPX) | Vanguard Intl. Equity (VTPSX) | Vanguard High Yield Bonds (VWEAX) | Vanguard Core Bonds (VBMPX) | Vanguard Emerging Market Debt (VGIVX) | Eaton Vance Bank Loans (EIBLX) | Vanguard TIPS (VTSPX) | Florida PRIME Money Market (N/A) |
|---|---|---|---|---|---|---|---|---|
| 2043 | 51.00% | 34.00% | 5.00% | 0.00% | 5.00% | 5.00% | 0.00% | 0.00% |
| 2042 | 51.00% | 34.00% | 5.00% | 0.00% | 5.00% | 5.00% | 0.00% | 0.00% |
| 2041 | 51.00% | 34.00% | 5.00% | 0.00% | 5.00% | 5.00% | 0.00% | 0.00% |
| 2040 | 51.00% | 34.00% | 5.00% | 0.00% | 5.00% | 5.00% | 0.00% | 0.00% |
| 2039 | 50.25% | 33.63% | 5.00% | 1.31% | 5.00% | 4.81% | 0.00% | 0.00% |
| 2038 | 44.75% | 29.75% | 5.00% | 12.25% | 4.25% | 4.00% | 0.00% | 0.00% |
| 2037 | 41.00% | 27.50% | 4.25% | 19.25% | 4.00% | 4.00% | 0.00% | 0.00% |
| 2036 | 37.75% | 24.75% | 4.00% | 26.25% | 4.00% | 3.25% | 0.00% | 0.00% |
| 2035 | 34.75% | 22.50% | 3.25% | 33.25% | 3.25% | 3.00% | 0.00% | 0.00% |
| 2034 | 31.00% | 20.50% | 3.00% | 40.25% | 3.00% | 2.25% | 0.00% | 0.00% |
| 2033 | 27.00% | 18.50% | 3.00% | 46.50% | 3.00% | 2.00% | 0.00% | 0.00% |
| 2032 | 23.75% | 15.75% | 3.00% | 53.25% | 2.25% | 2.00% | 0.00% | 0.00% |
| 2031 | 20.00% | 13.50% | 2.25% | 60.25% | 2.00% | 2.00% | 0.00% | 0.00% |
| 2030 | 16.75% | 10.75% | 2.00% | 63.50% | 2.00% | 1.25% | 3.75% | 0.00% |
| 2029 | 12.25% | 8.50% | 2.00% | 65.50% | 2.00% | 1.00% | 8.75% | 0.00% |
| 2028 | 8.75% | 6.50% | 1.25% | 67.50% | 1.25% | 2.50% | 10.00% | 2.25% |
| 2027 | 6.50% | 4.50% | 0.25% | 68.75% | 0.25% | 4.50% | 10.00% | 5.25% |
| 2026 | 6.00% | 4.00% | 0.00% | 65.25% | 0.00% | 6.50% | 10.00% | 8.25% |
| 2025 | 6.00% | 4.00% | 0.00% | 62.50% | 0.00% | 7.75% | 10.00% | 9.75% |
| Enrolled | 6.00% | 4.00% | 0.00% | 62.00% | 0.00% | 8.00% | 10.00% | 10.00% |

For more information about the underlying investments in the enrollment year portfolio, please see Appendix B.

## STATIC INVESTMENT OPTIONS

To assist Account Owners in custom portfolio construction, the Program offers the following pre-designed portfolios. In accordance with the CIP, the Board monitors the portfolios monthly and rebalances the allocation to the targets below, within an allowable range. Unlike the enrollment year portfolio, the investment allocation of these portfolios is constant over time; it will not change based on the age of the student. For more information about the underlying investments in the pre-designed portfolios, please see Appendix B.

**Multi-Manager Growth Portfolio**



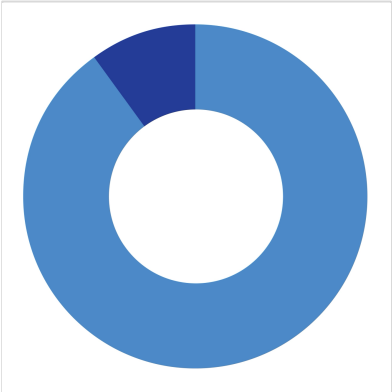
**Multi-Manager Blended Portfolio**



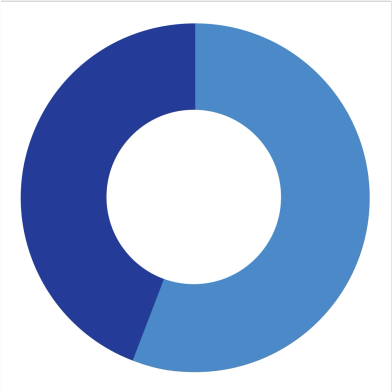
**Multi-Manager Income Portfolio**



**Passive Growth Portfolio**



**Passive Blended Portfolio**



**Passive Income Portfolio**



| | | | Multi-Manager Portfolio | | | Passive Portfolio | | |
|---|---|---|---|---|---|---|---|---|
| | Components | Manager | Growth | Blended | Income | Growth | Blended | Income |
| | Global Equity | DFA | 43% | 28% | - | - | - | - |
| | Domestic Equity | Vanguard | 23% | 15% | - | 50% | 31% | - |
| | International Equity | Vanguard | 19% | 13% | - | 40% | 25% | - |
| | High Yield | Vanguard | 5% | 3% | 10% | 5% | 3% | 10% |
| | Emerging Market Debt | Vanguard | 5% | 3% | 10% | 5% | 3% | 10% |
| | Bank Loans | Eaton Vance | 5% | 3% | 10% | - | - | - |
| | Core Fixed Income | Vanguard | - | 35% | 60% | - | 38% | 70% |
| | TIPS | Vanguard | - | - | 10% | - | - | 10% |

## INDIVIDUAL INVESTMENT FUNDS

For experienced investors who understand the risk and return characteristics of various security types, the Program offers a suite of individual investment funds, which cover a broad spectrum of asset classes. The Account Owner may construct a portfolio by allocating their investment to selected fund options based on their objectives.

The individual investment funds are detailed in the following pages. In a custom portfolio, the Account Owner has full control and responsibility for allocation and rebalancing. In accordance with Section 529 of the Code, the allocation of the Account Balance (your investment option selection for money already invested) may be modified up to two times per calendar year.

Ticker numbers are provided to show detailed information related to the fund's investments and strategies. The Board calculates its own NAV for each investment option which is different than the NAV provided by the fund.

### Money Market Fund

The fund seeks to provide, in priority order, safety, liquidity and competitive returns with minimization of risks. Short-term, high-quality fixed income securities rated in the highest short-term rating category by one or more nationally recognized rating service, or in comparable securities.

**Manager:** Florida Prime
**Fund Fee:** 0.04% (4 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** Merrill Lynch 91day T Bill
**Ticker:** Exclusive (Fund not publicly available)




### Core Plus Fixed Income Fund

This fund is actively managed by Wellington and seeks to provide broad exposure to primarily investment grade fixed income securities plus a restricted allocation to lower credit quality investments such as high-yield and emerging market debt.

**Manager:** Wellington
**Fund Fee:** 0.22% (22 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** Bloomberg Barclays Aggregate
**Ticker:** Exclusive (Fund not publicly available)




### Core Fixed Income Fund

This fund invests in the Vanguard Total Bond Market Index. Vanguard seeks to provide current income through investing in high credit quality investments while providing broad exposure to the investment grade segment of the U.S. bond market.

**Manager:** Vanguard
**Fund Fee:** 0.02% (2 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** Bloomberg Barclays Aggregate
**Ticker:** VBMPX



## High Yield Fund

The fund is invested in the Vanguard High-Yield Corporate Fund and seeks to provide a high level of current income. The fund invests primarily in a diversified group of high-yielding, higher-risk corporate bonds with medium- and lower-range credit quality ratings.

**Manager:** Vanguard
**Fund Fee:** 0.12% (12 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** 95% Bloomberg Barclays U.S. High-Yield Ba/B 2% Issuer Capped Index and 5% Bloomberg Barclays U.S. 1-5 Year Treasury Bond Index
**Ticker:** VWEAX




## Emerging Markets Index Fund

The fund is invested in the Vanguard Emerging Markets Government Bond Index Fund and seeks to track the performance of a benchmark index that measures the investment return of U.S. dollar-denominated bonds issued by governments and government-related issuers in emerging market countries.

**Manager:** Vanguard
**Fund Fee:** 0.13% (13 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** Bloomberg Barclays U.S. Dollar Emerging Markets Government RIC Capped Index
**Ticker:** VGIVX




## Bank Loan Fund

The fund is invested in the Eaton Vance Floating Rate Fund and seeks to maintain broad borrower and industry diversification among the fund's loans by Investing broadly across the floating-rate loan market, providing diversified exposure to the loan market's many sectors, credit tiers and issuers.

**Manager:** Eaton Vance
**Fund Fee:** 0.78% (78 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** S&P/LSTA Leveraged Loan Index
**Ticker:** EIBLX




## Treasury Inflation-Protected Securities Index Fund

The fund is invested in the Vanguard Short-Term Inflation-Protected Securities Index Fund and seeks to track the performance of a benchmark index that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than 5 years.

**Manager:** Vanguard
**Fund Fee:** 0.03% (3 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** Bloomberg Barclays U.S. 0-5 Year TIPS Index
**Ticker:** VTSPX



## U.S. Broad All Cap Index Fund

The fund is invested in the Vanguard Total Stock Market Index Fund and seeks to track the performance of a benchmark index that measures the investment return of the overall stock U.S. market.

**Manager:** Vanguard
**Fund Fee:** 0.02% (2 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** CRSP US Total Market Index
**Ticker:** VSMPX




## U.S. Large Cap Equity Index Fund

The fund is invested in the Vanguard Institutional Index Fund and seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks.

**Manager:** Vanguard
**Fund Fee:** 0.02% (2 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** S&P 500 Index
**Ticker:** VIIIX




## Small/Mid Cap Equity Index Fund

The fund is invested in the Vanguard Extended Market Index Fund and seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks.

**Manager:** Vanguard
**Fund Fee:** 0.05% (5 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** S&P Completion Index
**Ticker:** VIEIX




## Developed International Equity Index

The fund is invested in the Blackrock Advantage International Fund and seeks to invest primarily in non-U.S. equity securities and equity-like instruments of companies that are components of, or have characteristics similar to, the companies included in the MSCI EAFE Index and derivatives that are tied economically to securities of the MSCI EAFE Index.

**Manager:** Blackrock
**Fund Fee:** 0.45% (45 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** MSCI EAFE Index
**Ticker:** BROKX



## Total International Index Fund

The fund is invested in the Vanguard Total International Stock Index Fund and seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

**Manager:** Vanguard
**Fund Fee:** 0.05% (5 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** FTSE Global All Cap ex US Index
**Ticker:** VTPSX




## Global Equity Fund

The fund is invested in the Dimensional Global Equity Fund and seeks to achieve long-term capital appreciation by allocating its assets to underlying funds that invest in domestic and international equity securities such as large capitalization, small capitalization and emerging markets stocks, as well as real estate securities.

**Manager:** DFA
**Fund Fee:** 0.25% (25 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** MSCI All Country World Index
**Ticker:** DGEIX




## Social Index Fund

The fund is invested in the Vanguard FTSE Social Index Fund and seeks to track the performance of a benchmark index that measures the investment return of large- and mid-capitalization stocks; specifically excluding stocks of certain companies in the following industries: alcohol, tobacco, weapons, fossil fuels, and nuclear power.

**Manager:** Vanguard
**Fund Fee:** 0.13% (13 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** FTSE4Good US Select Index
**Ticker:** VFTAX




## Real Estate Index Fund

The fund is invested in the Vanguard Real Estate Index Fund and seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs and other real estate-related investments.

**Manager:** Vanguard
**Fund Fee:** 0.13% (13 bps)
**Admin. Fee:** 0.00% (0 bps)
**Benchmark:** MSCI US Investable Market Real Estate
**Ticker:** VGSLX



## TAX, LEGAL, AND INVESTMENT CONSIDERATIONS

Please be advised that the tax, legal, and investment information set forth in this PDPA is intended to support the marketing of the Program. Individual circumstances may vary. Please consult your tax, legal, and financial, advisors for advice as to your individual circumstances and available options.

## TAX CONSIDERATIONS

It is the responsibility of the recipient, or deemed recipient, to substantiate the tax treatment of any transaction. Accordingly, documents and information adequate to substantiate such tax treatment should be retained.

### Federal and State Income Taxes

The earnings on an Account are deferred for federal income tax purposes until withdrawal. As long as withdrawals from the Account are used for the Beneficiary's Qualified Education Expenses, the earnings portion of the withdrawals will not be subject to federal income taxation. Contributions to the Account and earnings on the Account are exempt from State of Florida taxation.

If you, or the Beneficiary, move to another state or have taxable income in another state, and if that state has established a Qualified Tuition Program, that program may offer favorable state income tax or other benefits such as financial aid, scholarship funds or protection from creditors that are only available if you invest in that program, and may not be available to a Beneficiary in this Program.

### Federal Gift, Estate, and Generation-Skipping Transfer Taxes

Contributions to an Account are generally considered completed gifts to the Beneficiary for federal tax purposes and are, therefore, potentially subject to federal gift tax. Generally, if contributions to an Account, together with all other gifts to the Beneficiary from the person making the contribution, are less than the gift tax exclusions in effect under 2503(b) of the Code, no federal gift tax will be imposed on the person making the contribution.

Completed gifts by the person making the contribution will not be included in that person's gross estate for federal estate tax purposes. Under certain conditions, contributions made by a person may exceed the gift tax exclusions and may be treated as having been made ratably over a multi-year period. If the person making the contributions dies before the end of the multi-year period, the portion of the contribution allocable to the remaining years would be includable in computing the gross estate for federal estate tax purposes. Amounts in an Account at the time of death of a Beneficiary will be included in the Beneficiary's gross estate for federal estate tax purposes.

A permissible change in Beneficiary may be subject to the federal gift tax if the new Beneficiary is of a younger generation than the Beneficiary being replaced. If the new Beneficiary is two or more generations below the Beneficiary being replaced, the transfer may be subject to the generation-skipping transfer tax. Under the proposed Treasury regulations, these taxes are imposed on the prior Beneficiary.

Final regulations related to the gift and estate tax rules, as applied to 529 Plans, have not been issued. Moreover, current estate and gift tax laws may change at any time.

### Non-qualified Distribution

The earnings portion of a Non-Qualified Withdrawal is includable when determining the taxable income of the recipient (or deemed recipient) for the year in which the Non-Qualified Withdrawal is paid. This amount is also subject to the Additional Tax unless the Non-Qualified Withdrawal is due to the Beneficiary's death, disability, or receipt of a scholarship. Earnings will not be included as income for personal state income tax purposes in Florida because the State of Florida does not impose a personal income tax. If the recipient (or deemed recipient) is a resident of a state other than Florida, that person should consult a tax advisor to determine if the Non-Qualified Withdrawal is subject to state income taxation in the state of residence.

If Account assets are used for the same expenses for which an American Opportunity Tax Credit or Lifetime Learning Tax Credit is claimed, the amount of Qualified Higher Education Expenses will be reduced by the amount of the expenses claimed. As a result of the reduction, the earnings portion of the withdrawal may be subject to federal and state income tax.

## LEGAL CONSIDERATIONS

Proposed federal regulations issued under Section 529 of the Code provide guidance and requirements for the establishment and operation of the Program, but do not provide guidance on certain aspects of the Program. Final regulations, administrative guidance, court decisions, or changes in federal law could adversely affect tax treatment or requirements for the Program. In addition, the Florida Legislature may make changes to Florida law, which could terminate or otherwise adversely affect the Program.

### Bankruptcy Law Considerations

Bankruptcy cases commenced by individuals under Title 11 of the United States Code on or after October 17, 2005, expressly exclude certain funds paid or contributed by the individual to an Account from the bankruptcy estate. However, federal bankruptcy protection is limited.

Funds paid into or out of the Program by or on behalf of the Account Owner or Beneficiary are exempt, as provided by Section 222.22, Florida Statutes, from all claims of creditors of the Account Owner or Beneficiary.

## INVESTMENT CONSIDERATIONS

This PDPA is not an offer to sell nor the solicitation of an offer to buy any security other than an investment in the Program offered hereby, nor is it an offer to sell or the solicitation to any person in any jurisdiction or under any circumstances in which it would be unlawful.

No security issued by the Program has been registered with or approved by the United States Securities and Exchange Commission or any state securities commission. Further, the Accounts and this PDPA are not subject to oversight by the Financial Industry Regulatory Authority or the Municipal Securities Rulemaking Board.

### No Guarantee

Enrolling and investing in the Program involves certain risks, including the loss of the entire amount of funds invested in the Program. Accounts are not deposits or obligations of, nor are they insured or guaranteed by, the State of Florida or any agency, or instrumentality thereof, the United States government, the Program, any financial institution, the Federal Deposit Insurance Corporation, the investment managers listed herein or any other agency, entity, instrumentality or person.

Participation in the Program does not guarantee sufficient funds to cover Qualified Higher Education Expenses. Furthermore, participation does not guarantee admission to, continued enrollment at, or graduation from an Eligible Educational Institution. Participation may affect financial aid eligibility.

### No Investment Advice

The Board, Program staff, and contract employees are not registered investment advisors or broker/dealers and therefore cannot offer investment advice or make recommendations with respect to enrolling in the Program or the selection of Investment Options. It is critical that you fully understand each Investment Option and the risks associated with each Investment Option.

# PARTICIPATION AGREEMENT

1. This Participation Agreement, which incorporates the Terms and Conditions by reference, describes the policies and terms of the Florida 529 Savings Plan (Florida College Savings Program established under Section 1009.981, Florida Statutes; hereinafter the "Program").

2. The Account Owner has read and understands the Program Description, the Terms and Conditions, and this Participation Agreement, and consents to the policies, terms, and conditions of the Program before submitting the Application.

3. The Agreement which consists of the Application, this Participation Agreement and the Terms and Conditions, as each amended from time to time by the Board to comply with Federal laws and regulations and the Florida Legislature's grant of authority under Sections 1009.971(4)(b), 1009.971(6), 1009.981 (2)(b)(1) – (11), and 1009.981(2)(d) through the rulemaking process as more fully described in Section 120.54, Florida Statutes, is the complete and exclusive statement of the agreement between the parties hereto related to the subject matter hereof, which supersedes any prior agreement, oral or written, and any other communications between the parties hereto relating to the subject matter of the Agreement. The Account Owner agrees to be bound by any amendments that the Board may make to the Participation Agreement and the Terms and Conditions, which will be made pursuant to the rule-making process under Chapter 120. Notification of such amendments may be made via MyFloridaPrepaid.com.

4. The Account Owner understands and acknowledges that the Account is opened and maintained to provide for the Qualified Higher Education Expenses of the Beneficiary.

5. The Account Owner understands and acknowledges that Accounts involve investment risk, including the possible loss of principal. The Account Owner understands and acknowledges that Accounts are not deposits or obligations of, or insured or guaranteed by, the State of Florida or any agency or instrumentality thereof, the United States government, any financial institution, the Federal Deposit Insurance Corporation, or any other agency, entity, instrumentality or person. The obligation of the Program is limited solely to those amounts deposited into the Florida Prepaid College Trust Fund on behalf of the Program. Investment Options may not be successful in meeting their respective investment objectives. Past investment results of the underlying investment managers and funds in the Investment Options offer no assurance of future returns.

6. Any factual determinations regarding Accounts will be made by the Board based on the facts and circumstances of each case.

7. Accounts shall be construed in accordance with the laws of the State of Florida and applicable federal law, including 26 U.S.C. § 529, as amended. Venue for any proceeding arising from or related to the Accounts is in Leon County, Florida. All appeals shall be to the First District Court of Appeal of Florida.

8. In the event any clause or portion of the Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from the Agreement and the remainder of the Agreement shall continue in full force and effect as if such clause or portion had never been included.

9. Except as specifically provided in the Terms and Conditions and in this Participation Agreement, the Account Owner may not assign or transfer the Agreement, nor any interest, rights, or benefits in the Agreement.

10. The Program shall require that any written documentation, request or any other actions the Board may designate from time to time, be verified under oath.

11. This Agreement is not intended to, nor does it, confer any benefit or legal rights upon any third-party beneficiary. The individual designated as the Beneficiary of an Account has no independent claim, right or access to any funds in an Account solely related to such designation. Payments directly to a Beneficiary will only be made with the Account Owner's specific written authorization for such payments.

12. Account Owners may only change Investment Options to the extent allowed by Section 529 of the Code. The Program shall provide a separate accounting for each Account.

13. If the Program determines that there has been any material misrepresentation related to the Agreement or the Account, the Account may be cancelled.

14. The Account Owner assumes all liability for any financial losses related to an Account. The Account Owner understands and acknowledges that there is no recourse against the Board's members, committee members or its employees individually, or against the State of Florida or the Program in connection with an Account. Nothing in this Agreement shall be deemed or construed as an express or implied waiver of the sovereign immunity of the State of Florida or a pledge of the full faith and credit of the State of Florida.

15. The Program shall not be liable for any losses or failure to perform its obligations under this Agreement caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, acts of war, terrorism, strikes, power outages or any other conditions or occurrences beyond its control.

16. The Program cannot and will not provide legal, financial or tax advice, and nothing herein or in any other written materials shall be construed as such.

*Form FPCB 2021-02, Effective 01/21 adopted by reference in Rule 19B-16.003, F.A.C.*

# TERMS AND CONDITIONS

## SECTION 1: DEFINITIONS

**1.01 "Account"** means an account in the Program established pursuant to the Agreement. Each Account may have only one Account Owner and one Beneficiary.

**1.02 "Account Balance"** means the amount remaining in an Account, including all contributions, investment earnings and losses, after deduction for any withdrawals and refunds. The Account Balance will be reduced by any applicable fees.

**1.03 "Account Owner"** means "benefactor" as that term is defined and used in Part IV, Chapter 1009, Florida Statutes, and is the person who is designated on the Application as the "account owner," unless the Account Owner was subsequently changed, and is the owner of record for the Account. An Account must have an Account Owner. The Account Owner may be:

**(a)** Any natural person who is 18 years old or older and a United States citizen, or resident alien, with a valid Social Security Number.

**(b)** If named as the Account Owner prior to September 1, 2013, any trust, estate, partnership, association, company or corporation with a U.S. federal taxpayer identification number. Entities will be required to furnish documentation to substantiate the legal status of the entity.

**(c)** A state or local government (or agency or instrumentality) or organization described in Section 501(c)(3) of the Code opening an Account to fund scholarships. A Beneficiary need not be designated for a scholarship Account opened by these entities. Entities will be required to furnish documentation to substantiate the legal status of the entity.

**(d)** A custodian for a minor under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act of a state in the United States ("**UGMA/UTMA**").

**1.04 "Additional Tax"** means the same as that term is defined in Section 529 of the Code. Currently, a 10% additional tax is applied to the earnings portion of any Non-Qualified Withdrawal. Residents of states other than Florida may have a state income tax which applies an additional tax to any Non-Qualified Withdrawal.

**1.05 "Administration Fee"** means the maintenance fee, as expressed in basis points, and is automatically deducted from the Account Balance on a daily basis.

**1.06 "Agreement"** means the complete and exclusive statement of agreement between the Account Owner and the Board related to the Program and the Account. The Agreement consists of the Application, Terms and Conditions, and Participation Agreement, each as amended from time to time by the Board to comply with Federal laws and regulations and the Florida Legislature's grant of authority under Sections 1009.971(4)(b), 1009.971(6), 1009.981 (2)(b)(1) – (11), and 1009.981(2)(d) through the rulemaking process as more fully described in Section 120.54, Florida Statutes. The Agreement supersedes any prior agreement, oral or written, and any other communications between the parties concerning the Program and Account.

**1.07 "Application"** means the form used by the Board to collect the information specified in Rule 19B-16.002, Florida Administrative Code to open an Account in the Program.

**1.08 "Authorized Agent"** means a person who is authorized by the Account Owner to act on the Account Owner's behalf, during the life of the Account Owner. Where an agent has been authorized by the Account Owner, Account Owner and Authorized Agent are used interchangeably.

**1.09 "Beneficiary"** means "designated beneficiary" as that term is defined and used in both Part IV, Chapter 1009, Florida Statutes, and Section 529 of the Code and is the person designated on the Application as the "beneficiary," unless the Account Owner subsequently changed the Beneficiary. The Beneficiary must be a United States citizen, or a resident alien, with a valid Social Security Number. The Social Security Number is not required when the Application is submitted, but it must be provided shortly thereafter or the Account will be subject to termination pursuant to paragraph 10.02.

**1.10 "Board"** means the Florida Prepaid College Board.

**1.11 "Business Day"** means a day other than a Saturday, Sunday or state holiday. Contributions may not be invested or withdrawals may not be withdrawn if the New York Stock Exchange is closed.

**1.12 "Code"** means the Internal Revenue Code of 1986, as amended.

**1.13 "Death, Disability, or Scholarship Withdrawal"** means a withdrawal from the Account due to the death, disability, or scholarship receipt of the Beneficiary.

**1.14 "Eligible Educational Institution"** means the same as that term is defined under Section 529 of the Code. In general, this refers to an accredited, postsecondary educational institution offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree or another recognized postsecondary degree, including certain proprietary institutions and postsecondary vocational schools and certain institutions in foreign countries, provided such institution must be eligible to participate in U.S. Department of Education student aid programs. Institutions of higher education must qualify under Section 529 of the Code as an Eligible Educational Institution.

**1.15 "Existing Balance Allocation"** means the current allocation of the Account Balance to each Investment Option. The Existing Balance Allocation may fluctuate as a result of, but not limited to, relative performance of selected Investment Options and the Future Contribution Allocation selected.

**1.16 "Family Empowerment Scholarship Program Account"** means a scholarship account established pursuant to Section 1002.394, Florida Statutes.

**1.17 "Future Contribution Allocation"** means the allocation of future contributions to each Investment Option.

**1.18 "Foundation"** means the Florida Prepaid College Foundation, Inc.

**1.19 "Investment Options"** means the Investment Options described in the Comprehensive Investment Plan for the Program adopted by the Board and approved by the State Board of Administration, pursuant to Section 1009.973, Florida Statutes. The Board retains the authority to close or not offer one or any of the Investment Options at any time.

**1.20 "Joint Approver"** means the person designated by the Account Owner to have Joint Approval for an Account. The Joint Approver must be 18 years old or older and must be a United States citizen or resident alien with a valid Social Security Number. Survivors designated by July 1, 2025 on Accounts with an Effective Date after February 1, 2009 had Joint Approval and, therefore, were reclassified as Joint Approvers. Designation of a Joint Approver is optional.

**1.21 "Joint Approval"** means an authorization made by the Account Owner and the Joint Approver together.

**1.22 "Maximum Account Balance"** means the limit on the total value of all Accounts and Florida 529 Prepaid Plans for the Beneficiary. Currently, the Maximum Account Balance is $500,000.

**1.23 "Member of the Family"** means the same as that term is defined in Section 529 of the Code. A Member of the Family includes: (1) a son or daughter, or a descendant of either; (2) a stepson or stepdaughter; (3) a brother, sister, stepbrother, or stepsister; (4) the father or mother, or an ancestor of either; (5) a stepfather or stepmother; (6) a son or daughter of a brother or sister; (7) a brother or sister of the father or mother; (8) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or (9) the spouse of the Beneficiary or the spouse of any individual described in (1) through (8) above.

**1.24 "NAV"** means the net asset value per Trust Unit and is calculated at the time when trading closes on the New York Stock Exchange by dividing the value of each respective Investment Option's assets less its liabilities including, without limitation, the Administration Fee, by the number of outstanding Trust Units of that Investment Option.

**1.25 "Non-Qualified Withdrawal"** means a withdrawal or refund from the Account other than a Qualified Withdrawal, a Death, Disability, or Scholarship Withdrawal or a Rollover Withdrawal. The earnings portion of the withdrawal is subject to state and federal income taxes and the Additional Tax.

**1.26 "Parent"** means the same as that term is defined in Section 1000.21(5), Florida Statutes. In general, Parent refers to either or both parents, any guardian or person in a parental relationship or exercising supervisory authority in place of the parent.

**1.27 "Program"** means the Florida College Savings Program which is established under Section 1009.981, Florida Statutes, and marketed as the Florida 529 Investment Plan.

**1.28 "Program Description"** means the document published periodically by the Board which contains information, as updated from time to time, about the Program, Investment Options, and risks for the Account Owner to consider before enrollment and during the duration of the Agreement.

**1.29 "Qualified Higher Education Expenses"** means the same as that term is defined under Section 529 of the Code. In general, this includes tuition, fees, room and board, and the cost of books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution, including undergraduate and graduate schools. Room and board expenses are subject to limitations under Section 529 of the Code. Qualified Higher Education Expenses include expenses for tuition in connection with enrollment or attendance at an elementary

or secondary public, private, or religious school, up to $10,000 during the taxable year.

**1.30 "Qualified Tuition Program"** means an account established for the purpose of meeting the Qualified Higher Education Expenses of the Beneficiary of the account and meets the other requirements of Section 529 of the Code.

**1.31 "Qualified Withdrawal"** means a withdrawal from the Account that is used to pay the Qualified Higher Education Expenses of the Beneficiary.

**1.32 "Request"** means an authorization, which includes all necessary information required by the Program, either online at MyFloridaPrepaid.com or in writing. The Board my request additional information, documentation, or authorization before processing. Currently, notarization is required for Requests to (1) change the Account Owner, (2) change the Beneficiary, (3) change the Survivor, (4) voluntarily terminate an Account, and (5) request a refund following the involuntary termination of a Plan.

**1.33 "Residency"** means that a Beneficiary must have been domiciled in Florida at least 12 consecutive months prior to and including the date the Application or change of Beneficiary is signed. A Beneficiary under the age of one year must have been born and continuously domiciled in Florida from birth through the date the Application or change of Beneficiary is signed. A Beneficiary under 18 years of age may be a resident of another state if the non-custodial Parent has been domiciled in Florida at least 12 consecutive months prior to and including the date the Application or change of Beneficiary is signed.

**1.34 "Restricted Account"** means an Account that has restrictions on part or all of the rights and transactions of the Account. The Account may be restricted as a result of a court order, unusual account activity, or for review by the Board.

**1.35 "Rollover Contribution"** means a contribution from another Qualified Tuition Program to the Program as permitted and defined under Section 529 of the Code as a rollover. In general, this means the withdrawal from another Qualified Tuition Program, a Coverdell Education Savings Account, or a Series EE Savings Bond for the purpose of contributing to the Program, as authorized by Section 529 of the Code. The two conditions for this withdrawal not being treated as a Non-Qualified Withdrawal are: (1) the funds are transferred to the Program within 60 days of such distribution; and (2) the transfer occurs at least 12 months from the date of a previous transfer to any Qualified Tuition Program for the benefit of the Beneficiary.

**1.36 "Rollover Withdrawal"** means a withdrawal from the Program with the intent to contribute the funds to another Qualified Tuition Program, Qualified ABLE Program, or a Roth IRA, as permitted and defined under Section 529 of the Code as a rollover. In general, this means a withdrawal from the Account for the purpose of contribution to another Qualified Tuition Program, Qualified ABLE Program, or as otherwise authorized by Section 529 of the Code. The two conditions for this withdrawal not being treated as a Non-Qualified Withdrawal are: (1) the funds are transferred to a qualified program within 60 days of such distribution; and (2) the transfer occurs at least 12 months from the date of a Rollover Contribution to the Program for the benefit of the Beneficiary

**1.37 "Student"** means the same as Beneficiary and these terms may be used interchangeably.

**1.38 "Survivor"** means the person designated by the Account Owner to receive Account rights in paragraph 3.06. Survivor does not mean the same as Beneficiary. The Survivor must be 18 years old or older and must be a United States citizen or resident alien with a valid Social Security Number. Designation of a Survivor is optional.

**1.39 "Trade Date"** means the Business Day on which a NAV is applied to process a contribution or withdrawal transaction for the Account. If a contribution or withdrawal is requested after the close of trading on the New York Stock Exchange, or on a day other than a Business Day, the NAV for the next Business Day is applied to the transaction.

**1.40 "Trust Units"** means the share of assets held by the Program for an Account Owner with respect to a particular Investment Option.

## SECTION 2: PARTICIPATION IN THE PROGRAM

**2.01 Enrollment in Program.**

Any person or entity eligible to be an Account Owner may apply for participation in the Program by submitting an Application to the Program.

**2.02 Residency.**

**(a)** Documentation proving Residency is required whenever a Beneficiary is named in an Agreement and occurs when: (1) an Application is submitted; or (2) the Beneficiary is changed pursuant to paragraph 8.02.

**(b)** Residency may be shown by submitting documentation indicating that the Beneficiary is, and has been, a resident of Florida for the past 12 months. Typical types of documentation include: (1) voter's registration card; (2)

driver's license; (3) certificate of domicile; (4) homestead exemption; (5) utility bills at the same residence; (6) professional or occupational license; (7) proof of full-time Florida employment; and (8) Florida vehicle registration.

**(c)** There are additional types of documentation which may show Residency depending on the age or grade of the Beneficiary. For a Beneficiary under the age of one, Residency may be shown by submitting a birth certificate indicating the Beneficiary was born in Florida. For a Beneficiary between the age of one and kindergarten enrollment, Residency may be shown by submitting a progress report from a preschool or day care center indicating 12 months of residency. For a Beneficiary enrolled in kindergarten through the 12th grade, Residency may be shown by submitting a school report card or transcript from a Florida public or private school.

**(d)** For a Beneficiary in 12th grade or below, Residency also may be shown by: (1) showing that the Beneficiary's Parent could meet the Residency requirement by submitting documentation described in **(b)**; and (2) confirming the Beneficiary does in fact satisfy the Residency requirement.

**(e)** The Board may request specific Residency verification using any one, or more, of the foregoing types of documentation to confirm eligibility.

**(f)** A Beneficiary with (1) an active Agreement or (2) an active Contract in the Florida Prepaid College Program meets the Residency requirement.

**2.03 Disclosure of Agreement.**

**(a)** The Board may disclose, without identifying the Account Owner or status of the Agreement, the existence of an Agreement for the Beneficiary to either limit or reject an Application by the Account Owner or a different potential Account Owner.

**2.04 Submitting an Application.**

The Application submitted to the Board must be completed according to the Application instructions. A valid email address is required to access your Account online and receive Program communications. A separate Application is required for each Beneficiary. The Application may be completed online at MyFloridaPrepaid.com.

**2.05 Application Acceptance.**

**(a)** An Account is established once the Board confirms acceptance of the Application by issuing a Statement of Confirmation to the Account Owner.

**(b)** If the Beneficiary is not eligible, the Board will reject the Application.

**2.06 Maintenance of Contact Information.**

The Account Owner is responsible for notifying the Board of any change in contact information, including email addresses, mailing addresses, and phone numbers, of the Account Owner, Joint Approver, Survivor, Authorized Agent, and Beneficiary.

## SECTION 3: ACCOUNT RIGHTS

**3.01 Rights of Account Owners.**

**(a)** The Account Owner is the owner of the Account Balance.

**(b)** For an Account where a Joint Approver is designated, Joint Approval is required for changes in the Beneficiary, Account Owner, Joint Approver, and Survivor; voluntary terminations; and refunds associated with an involuntarily terminated Account. The Account Owner may authorize all other Account changes and withdrawals.

**(c)** The Account Owner may obtain and update information regarding the Account. All official notices from the Program will be directed only to the Account Owner.

**3.02 Account Owners Acting in a Custodial Capacity.**

**(a)** The rights of an Account Owner are limited where the Account Owner acts in a custodial capacity pursuant to the Uniform Gifts to Minors Act and/or Uniform Transfers to Minors Act ("UGMA/UTMA"), a court order appointing a guardian, or pursuant to the Beneficiary's right of survivorship while the Beneficiary is under 18 years of age.

**(b)** All funds associated with an Account in a custodial capacity are considered custodial funds, subject to the same requirements and restrictions creating the custodial capacity.

**(c)** The Account Owner may not: **(1)** change the Account Owner without providing documentation to the Board indicating authority to do so; **(2)** change the Beneficiary; or **(3)** designate a Joint Approver or Survivor.

**(d)** Withdrawals may be made payable only to the Beneficiary or an Eligible Educational Institution on behalf of the Beneficiary.

**(e)** The Account Owner may not voluntarily terminate, or Request a refund from, the Account. A Rollover Withdrawal may be made for the benefit of the Beneficiary.

**(f)** At the age of 18, the Beneficiary becomes the Account Owner, unless the court order specifies otherwise.

**3.03 Account Owners of Restricted Accounts.**

**(a)** A court may order funds to be deposited into a Restricted Account for the benefit of a specified Beneficiary. Further, a court may order an existing Account to be a Restricted Account.

**(b)** The court order may specify any restrictions and terms of distribution for the Restricted Account.

**(c)** The parties of the court order bear the ultimate responsibility for following and enforcing the court order.

**(d)** To effectuate a Restricted Account status, the Board must receive a copy of the Account and executed court order. This Restricted Account status terminates upon completion of the requirement(s) within the court order as determined by the Board or upon receipt of a court order superseding or removing the previous court order(s).

**(e)** Where the Board receives documentation to raise meaningful doubt about who is the Account Owner or who is entitled to the funds in the Account, the Board may remove the disputed funds and/or effectuate a Restricted Account status. The Restricted Account status terminates upon (1) receipt of a court order clarifying the rights of the parties with respect to the Account, (2) by written, notarized mutual agreement of the parties disputing rights regarding the Contract or Plan, or (3) for other good cause shown, as determined by the Board.

**3.04 Family Empowerment Scholarship Program Account Funds in an Account.**

**(a)** Contributions from, or traceable to, a Family Empowerment Scholarship Program Account are subject to the rights and restrictions contained in the Agreement and Section1002.394, Florida Statutes.

**(b)** The Account Owner may not change the Beneficiary while the Account contains Family Empowerment Scholarship Program Account funds.

**(c)** Private funds will be used before Family Empowerment Scholarship Program Account funds.

**(d)** Family Empowerment Scholarship Program Account funds will not be made payable to the Account Owner except as: **(1)** a Qualified Withdrawal or **(2)** a Scholarship Withdrawal.

**(e)** Pursuant to Section 1002.394, Florida Statutes, Family Empowerment Scholarship Program Account funds may be removed from an Account and returned to the State of Florida.

**3.05 Rights of Joint Approvers**.

**(a)** The Joint Approver enjoys a right of survivorship for the Account Owner.

**(b)** For Accounts where a Joint Approver is designated, Joint Approval is required for changes in the Beneficiary, Account Owner, Joint Approver, and Survivor(s); voluntary termination; and refunds associated with involuntarily terminations for the relevant Account.

**(c)** Except as provided herein, the Joint Approver does not own, control, or have rights to the Account.

**(d)** The Joint Approver may obtain information regarding the Account and update his/her own contact information. The Board may provide information regarding the Account to, and communicate with, the Joint Approver.

**3.06 Rights of Survivors.**

**(a)** The Survivor enjoys a right of survivorship for the Account Owner, which is subordinate only to an effective right of survivorship by the Joint Approver.

**(b)** Except as provided herein, the Survivor does not own, control, or have rights to the Account.

**(c)** The Survivor may obtain information regarding the Account and update the Survivor's Account information.

**3.07 Rights of Beneficiaries.**

**(a)** The Beneficiary enjoys a right of survivorship for the Account Owner, which is subordinate to effective rights of survivorship by the Joint Approver and Survivor. If, and for as long as, the Beneficiary is a minor, the exercise of the right of survivorship requires a Parent of the Beneficiary to be the Account Owner acting in a custodial capacity pursuant to paragraph 3.02.

**(b)** Except as provided herein, the Beneficiary does not own, control, or have rights to the Account. The Beneficiary may obtain information regarding the Account and update the Beneficiary's Account information.

**3.08 Holds and Access Restrictions.**

Holds and access restrictions may be used by the Board to grant or restrict information from, or access or modifications to, an Account including to comply with a court order or protect the Account from unauthorized access or modification.

## SECTION 4: INVESTMENT OPTIONS

**4.01 Comprehensive Investment Plan.**

**(a)** The Program's Comprehensive Investment Plan, which is authorized under Section 1009.973, Florida Statutes, and investment guidelines therein specify the investment policy and Investment Options of the Program. The Account Balance is invested in accordance with the Comprehensive Investment Plan and investment guidelines.

**(b)** Periodically, the Board will review and rebalance Investment Options in accordance with the allowable ranges provided in the Comprehensive Investment Plan and investment guidelines.

**(c)** The Board may change the Comprehensive Investment Plan and investment guidelines at any time. The Comprehensive Investment Plan is subject to the approval of the State Board of Administration.

**4.02 Authority to Direct Investments.**

**(a)** The Account Owner may not direct the investment of any contribution or the Account Balance into an investment other than the Investment Options then available under the Program.

**(b)** Section 529 of the Code currently limits the ability of the Account Owner to change the Existing Balance Allocation.

**(c)** Neither the Beneficiary nor Survivor may direct the investment of any contributions or the Account Balance.

**4.03 Changing Investment Options for Account Balance.**

**(a)** The Existing Balance Allocation may be changed only to the extent allowed by Section 529 of the Code. The Code currently limits changes to the Existing Balance Allocation to two times per calendar year.

**(b)** The Account Owner may reallocate the Existing Balance Allocation by submitting a Request, indicating the Investment Option changes or the new allocation percentages to the Board.

**4.04 No Investment Advice.**

**(a)** Neither the Board, the Program, nor employees thereof are registered investment advisors or broker/dealers. Accordingly, they cannot offer investment advice or make recommendations with respect to enrolling in the Program or the selection of Investment Options, and they do not assume any responsibility for investment performance.

**(b)** The Account Owner acknowledges and agrees that he or she has not been advised by the State of Florida, the Board or any employee, agent, independent contractor, or affiliate or any vendor, contractor, investment advisor, investment consultant, or investment manager of the State of Florida or the Board to invest, or to refrain from investing, in the Program or a particular Investment Option.

## SECTION 5: RISKS OF INVESTING IN THE PROGRAM

**5.01 No Guarantee of Attendance.**

Participation in the Program does not guarantee admission to, continued enrollment at, or graduation from an Eligible Educational Institution of any Beneficiary.

**5.02 No Guarantee of Adequate Funds to Pay Education Expenses.**

Participation in the Program does not guarantee that sufficient funds will be available to cover all Qualified Higher Education Expenses for any Beneficiary, even if the Account reached the Maximum Account Balance. Increases in future Qualified Higher Education Expenses are uncertain and may exceed increases in the general cost of living. Increases in Qualified Higher Education Expenses could exceed the rate of return under any or all of the Investment Options over the same period.

**5.03 Not a Direct Investment in Mutual Funds or Registered Securities.**

**(a)** None of the Investment Options is a mutual fund.

**(b)** Investment Options are not registered with the U.S. Securities and Exchange Commission or any state.

**5.04 Limited Liquidity.**

Investment in the Program involves the risk of reduced liquidity for the investment. Once an Account for a Beneficiary is opened, the circumstances under which funds may be withdrawn from the Account without the imposition of tax liability and the Additional Tax are limited.

**5.05 Potential Impact on Financial Aid and Medicaid Eligibility.**

**(a)** The eligibility of the Beneficiary for financial aid will depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in an Eligible Educational Institution, as well as on the policies of the governmental agencies, school, or private organizations to which the Beneficiary and/or the Beneficiary's family applies for financial assistance. Because saving for college will

increase the financial resources available to the Beneficiary, it most likely will have some effect on the Beneficiary's eligibility. However, because these policies vary at different institutions and can change over time, the Board cannot say with certainty how the federal financial aid program, or the school the Beneficiary applies to, will treat an Account.

**(b)** Ownership of an Account could have an impact on eligibility for Medicaid. Although the results may vary from state to state, assets in an Account may be considered available assets for determining Medicaid eligibility.

## SECTION 6: CONTRIBUTIONS

**6.01 Making a Contribution.**

**(a)** A contribution to the Account may be made at any time.

**(b)** A contribution or authorization for recurring automatic contributions may be made through the Board's website MyFloridaPrepaid.com.

**(c)** Contributions may be made by check, Money Order, cashier's checks, automatic contribution plan, or payroll deduction.

**(d)** Checks must be in U.S. dollars and should be made payable to the Program.

**6.02 Rollover Contributions Accepted.**

**(a)** The Program accepts Rollover Contributions to the extent allowed by Section 529 of the Code.

**(b)** Direct Rollover Contributions involve the transfer of money directly to the Program.

**(c)** Indirect Rollover Contributions involve the withdrawal of money before transferring the money to the Program.

**(d)** Until the Program receives documentation indicating the portion of the Rollover Contribution attributable to earnings, the entire amount of the Rollover Contribution will be treated as earnings, which would be subject to taxation in the case of a Non-Qualified Withdrawal.

**6.03 Investment Allocations for Contributions.**

**(a)** Contributions will be credited to the Account and invested in accordance with the allocation percentages indicated on the Application, unless the Account Owner subsequently changed how future contributions would be allocated.

**(b)** The Future Contribution Allocation may be changed at any time. The Account Owner may change the Future Contribution Allocation by submitting a Request indicating the new allocation percentages for each selected Investment Option to the Board.

**6.04 Purchasing Trust Units.**

**(a)** A contribution received by the Board will be credited at the NAV of the applicable Investment Option determined on the Trade Date.

**(b)** The contribution will cause the purchase of Trust Units for each Investment Options in accordance with the allocation percentages indicated on the Application or, if the Account Owner subsequently changed the allocation, by the Future Contribution Allocation applicable at time of processing.

**(c)** The number of Trust Units purchased will be determined by dividing the contribution for a specified Investment Option by the NAV of that Investment Option as described in **(a)**.

**6.05 NAV Valuation.**

Individual securities held by an Investment Option are valued using market quotations or independent pricing services. If market quotations or independent pricing services are not readily available, or if events that have a significant effect on the value of an investment occur between the time when its price is determined and the time a portfolio's NAV per share is calculated, a security's "fair value," as determined in good faith, may be used.

**6.06 Maximum Account Balance.**

**(a)** The Board periodically reviews the Maximum Account Balance pursuant to IRS regulations and publishes the amount on the Board's website MyFloridaPrepaid.com.

**(b)** The Maximum Account Balance may be lower than other Qualified Tuition Programs and lower than previously published amounts for the Program.

**(c)** Contributions will be rejected and returned to the extent the amount of the contribution would cause the total balance of the Account(s) plus the sum of all payments required for any Florida Prepaid College Plan(s) for the Beneficiary to exceed the Maximum Account Balance. However, Accounts that have reached the Maximum Account Balance may continue to accrue earnings.

## SECTION 7: FEES AND PENALTIES

**7.01 Administration Fee.**

The Board periodically reviews the Administration Fee and publishes the amount on the Board's website

MyFloridaPrepaid.com. Currently, the Administration Fee consists of the fees assessed by the investment fund plus any fees assessed to cover the Board's administrative costs. The fees for each Investment Option are provided in Appendix D. The fees assessed to cover the Board's administrative costs is 0.00% (0 bps).

The following table compares the approximate costs of investing in the Florida 529 Savings Plan over different periods of time at the specified rates. The example illustrates the hypothetical expenses an Account Owner may incur over various periods if $10,000 is invested in an Account with a 5% annually compounded rate of return. All units are redeemed at the end of the period shown for Qualified Higher Education Expenses (the results do not take into account any Nonqualified Withdrawals subject to state or federal income taxes, or any penalties).

| Approximate Cost of $10,000 Investment | | | | |
|---|---|---|---|---|
| Fee | 1-Yr | 3-Yr | 5-Yr | 10-Yr |
| 0.01% (1bps) | $1.01 | $3.19 | $5.56 | $12.43 |

These examples do not represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

**7.02 Insufficient Funds Fee.**

If a contribution to the Account is returned due to insufficient funds, a $20 fee will be deducted from the Account Balance.

**7.03 Termination Penalty Due to Misrepresentation.**

A penalty of up to $250 or 100 percent of the Account Balance, whichever is less, will be assessed if the Account is terminated pursuant to paragraphs 10.04 or 10.05.

**7.04 Fee Changes.**

The Board may add, remove, increase, or decrease the Administration Fee or other fees charged, which could have a material effect on the Account Owner's investment in the Program and the Account Balance.

**7.05 No Refund of Fees.**

The Board may apply the Account Balance, or a portion thereof, and future Contributions towards outstanding fees. Fees collected by the Board are non-refundable.

## SECTION 8: ACCOUNT CHANGES

**8.01 General.**

Unless otherwise provided herein, all changes must be in writing, signed by the Account Owner, and received by the Board. The Board is not responsible for the validity of documentation related to such changes. If acceptable to the Board, changes will take effect as of the date a change is processed by the Board.

**8.02 Change of Beneficiary.**

**(a)** The Beneficiary of an Account may be changed to an eligible substitute Beneficiary by submitting a Request. Any such Request must verify that the proposed substitute Beneficiary: (1) is a Member of the Family of the original Beneficiary; and (2) meets the Residency requirement at the time of substitution.

**(b)** If the substitute Beneficiary is a Member of the Family of the Beneficiary, the change is usually a non-taxable event and will not be subject to the Additional Tax.

**(c)** The change of Beneficiary Request will not be processed to the extent that it will cause the substitute Beneficiary to exceed the Maximum Account Balance.

**8.03 Change of Account Owner.**

**(a)** The Account Owner of an Account may be changed by submitting a Request.

**(b)** To effectuate a change in Account ownership after the death of the Account Owner, a party with right of survivorship or, if none have been designated, a Parent acting in a custodial capacity for the Beneficiary, must submit a copy of the death certificate, or other legally recognized proof of death, and a Request.

**(c)** If the person who will become the new Account Owner already has an active Account for the same Beneficiary, the transferred Account will be irrevocably combined with the new Account Owner's existing Account.

**(d)** Unless the Request specifies otherwise, the Authorized Agent, Joint Approver and Survivor designations on the transferred Plan(s) will remain in effect.

**(e)** This transfer does not constitute a termination.

**8.04 Designation of Joint Approvers, Survivors, and Authorized Agents**.

**(a)** If an Account does not have a Joint Approver, Survivor, or Authorized Agent the Account Owner may designate one

by submitting a Request with the full legal name, Social Security Number, and complete contact information.

**(b)** The Account Owner may change or remove the Joint Approvers, Survivors, and Authorized Agents by submitting a Request. Changes are subject to applicable Account restrictions and Joint Approval.

**(c)** The designation or change of a Joint Approver, Survivor, or Authorized Agent may not be made by will or codicil.

## SECTION 9: WITHDRAWALS

**9.01 General.**

**(a)** The Account Owner may direct a withdrawal from the Account at any time.

**(b)** The Board may direct a withdrawal from the Account to: (1) comply with a court order, (2) transfer funds received which are returned, disputed or otherwise not in good order, or (3) comply with restrictions on a Restricted Account.

**(c)** Withdrawals may be classified into four categories: Qualified Withdrawals; Death, Disability or Scholarship Withdrawals; Rollover Withdrawals; and Non-Qualified Withdrawals. It is the Account Owner's and Beneficiary's responsibility, as applicable, to obtain and retain documents related to the withdrawal to substantiate the withdrawal classification to the Internal Revenue Service.

**(d)** The withdrawal classification affects the tax treatment of the earnings portion of a withdrawal. Residents of states other than Florida may have state income tax liabilities in addition to any federal income tax or Additional Tax liabilities.

**9.02 Directing a Withdrawal.**

The Account Owner may direct a withdrawal payable to the Account Owner, Beneficiary, Eligible Educational Institution, or third-party by submitting a Request. The Account Owner also may direct Rollover Withdrawals.

**9.03 Source of Withdrawal.**

**(a)** A withdrawal is deducted from the Account at the NAV of the applicable Investment Options determined on the Trade Date.

**(b)** The number of Trust Units sold will be determined by dividing the withdrawal for a specified Investment Option by the NAV of that Investment Option as described in **(a)**.

## SECTION 10: TERMINATION AND REFUNDS

**10.01 Voluntary Termination.**

**(a)** The Account may be voluntarily terminated at any time by submitting a Request.

**(b)** Upon receipt of the Request, the Board will process a full withdrawal of the Account and issue a refund to the Account Owner.

**(c)** A voluntarily terminated Account may be reactivated at any time by making a contribution to the Account.

**10.02 Involuntary Termination.**

**(a)** The Board will involuntarily terminate the Account by processing a full withdrawal if, within 120 days from time of enrollment, the Account Owner fails to provide the Board with all information required to complete the Application.

**(b)** Upon receipt of a Request, the Board will issue a refund to the Account Owner.

**(c)** An involuntarily terminated Account may be reactivated at any time by providing the Board with all information required to complete the Application.

**10.03 Account Expiration.**

**(a)** The Board will involuntarily terminate the Account if no contributions to or withdrawals from the Account have been made for a continuous period of 25 calendar years.

**(b)** Time expended by a Beneficiary as an active duty member of any of the armed services of the United States shall be added to this period, upon receipt of sufficient documentation by the Board.

**(c)** The Board may, but is not obligated to, consider Requests from the Account Owner or Beneficiary to extend this period before the involuntary termination.

**(d)** After notice to the Account Owner at least six months prior to involuntary termination, the Account Balance shall be declared unclaimed and abandoned property. The Board shall retain any moneys from an Account terminated under this subsection.

**10.04 Residency Fraud.**

The Board may involuntarily terminate an Agreement if it determines that fraudulent statements were used to establish the Residency of an allegedly qualified Beneficiary. The penalty authorized in paragraph 7.03 will

be assessed. To receive a refund of any remaining balance, a Request must be submitted.

**10.05 Termination Due to Misrepresentation.**

**(a)** If requested, the Account Owner will provide documentation verifying representations made on the Application or any document submitted by the Account Owner with respect to the Agreement.

**(b)** The Board may terminate an Account if a material misrepresentation is made in the Application or in any communication from the Account Owner or Beneficiary to the Board regarding the Account. A material misrepresentation includes, but is not limited to, providing an invalid Social Security Number or taxpayer identification number, providing false certification that a person is a Member of the Family of the Beneficiary, falsely certifying the Beneficiary's Residency, or falsely certifying that a person is a citizen or resident alien of the United States.

**(c)** Upon receipt of the Request, the Board will issue a refund to the Account Owner, if any, less the penalty authorized in paragraph 7.03 and any other outstanding fees.

**10.06 Refund Classification.**

Generally, refunds are considered Non-Qualified Withdrawals and, therefore, subject to state and federal taxes and the Additional Tax.

**10.07 Unclaimed Refunds.**

Any unclaimed withdrawal or refund for terminated Accounts and any unclaimed Account Balance shall escheat to the Florida Prepaid College Trust Fund seven years after the date the Account was terminated or such amounts became unclaimed, respectively.

## SECTION 11: REPORTING

**11.01 Account Statements.**

**(a)** The Board maintains separate records for each Account and will provide to the Account Owner quarterly statements indicating, for the period and calendar year, the: **(1)** contributions to, withdrawals from, and changes between each Investment Option in the Account; **(2)** ending value of the Account; and **(3)** investment performance of each Investment Option.

**(b)** Quarterly statements will not be provided to the Account Owner for any quarter where: **(1)** there have been no contributions or withdrawals; and **(2)** the beginning and ending Account Balance is $0.

**(c)** The Account Owner is responsible for reviewing each quarterly statement and for verifying the information contained on each quarterly statement. If the Account Owner fails to notify the Board in writing of any error on the quarterly statement within 60 days after the last day of the period to which the quarterly statement relates, the information pertaining to the Account contained on the quarterly statement is deemed to be correct, the Account Owner will be considered to have approved the information contained on the quarterly statement and its inclusion on subsequent quarterly statements, and to have released the Board from all liability for any error contained on the quarterly statement.

**11.02 Tax Treatment, Withholding and Reporting.**

**(a)** The application and impact of tax law vary widely based upon the specific facts involved. The Account Owner and Beneficiary are strongly encouraged to consult a qualified tax advisor regarding the tax consequences of contributing money to, or withdrawing money from, an Account.

**(b)** Under proposed federal tax regulations, withdrawals from Accounts are not subject to back-up withholding. Accordingly, the Board does not withhold any portion of a withdrawal or refund for tax purposes.

**(c)** The Board will issue IRS Form 1099-Q to the Beneficiary for the calendar year in which a withdrawal is made payable to the Beneficiary or an Eligible Educational Institution.

**(d)** The Board will issue IRS Form 1099-Q to the Account Owner for the calendar year in which a withdrawal or refund is made payable to the Account Owner or a Rollover Distribution is made.

**11.03 Performance Reporting.**

The Board provides information about investment performance for each available Investment Option online at MyFloridaPrepaid.com.

**11.04 Electronic Reporting.**

**(a)** The primary method for providing correspondence is online access at MyFloridaPrepaid.com. Email may be used to provide notifications of the availability of electronic statements and Program information.

**(b)** For statements issued pursuant to paragraph 11.02, the Program may request the recipient to affirmatively consent to receive the statements in an electronic format. The

consent applies to statements furnished every year after the consent is given. The recipient may withdraw his or her consent at any time by submitting a Request. If the recipient does not consent, the statement will be furnished on paper.

**(c)** The Program retains the right to provide any or all statements and correspondence on paper instead of an electronic format without notice.

**11.05 Reporting to State and Federal Agencies.**

The Program may report Contract information to state and federal agencies to comply with state and federal law and to administer the Program.

## SECTION 12: OTHER INFORMATION ABOUT ACCOUNT

**12.01 Not an Obligation of the State.**

The Agreement is only a debt or obligation of the Program and is not otherwise a debt or obligation of the State of Florida.

**12.02 Actual Receipt by Board Required.**

All Requests are effective only upon actual receipt by the Board and after a reasonable processing time.

**12.03 Privacy and Account Confidentiality.**

**(a)** Information that identifies the parties to any Account is confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution.

**(b)** The Board may authorize the release of information related to Accounts to perform its duties or responsibilities or for the Program to: (1) verify a party to the Account, (2) verify eligibility, (3) permit the use of an Account, or (4) provide additional services for the Account.

**(c)** The Board may authorize the release of information in response to subpoenas or where otherwise required by law.

**12.04 Accounts Not Registered Under the Securities Laws.**

**(a)** Neither the Accounts under, nor the Participation Agreement to be executed in connection with, the Program will be registered under the Securities Act of 1933, as amended, or with the securities regulatory authority of any state.

**(b)** To the extent that registration of the Accounts or Participation Agreement is required, or registration of the Board or its officers and employees is required in order to offer or sell the Accounts or Participation Agreement, and the Accounts or Participation Agreement are offered and sold without the proper registration(s): **(1)** the Board could be required to cease and desist operating the Program and to terminate the Program; **(2)** monetary penalties could be imposed; or **(3)** both.

**12.05 Necessity of Qualification.**

**(a)** The Program is intended to be a Qualified Tuition Program. The Board may make changes to the Program and the Participation Agreement at any time if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by Section 529 of the Code or any similar successor legislation.

**(b)** The Account Owner agrees to be bound by any such changes.

**12.06 Statute and Rules.**

**(a)** The Account and the Participation Agreement are subject to future changes to the Program, Part IV Chapter 1009, Florida Statutes, as amended, and to Rule 19B-16, Florida Administrative Code (or any similar successor rule), as amended.

**(b)** All transactions and changes of the Account are subject to such rules and policies as the Board may adopt in accordance with federal law and Florida law.

**(c)** All references in the Participation Agreement to the Florida Statutes include any similar successor statutes.

**(d)** The Account Owner agrees to be bound by any such changes, policies, rules, and statutes.

**12.07 Program Changes and Termination.**

**(a)** The Program is required to comply with Section 529 of the Code and the regulations and the administrative guidance issued thereunder, as well as Section 1009.981, Florida Statutes, and related sections and the related regulations and administrative guidance thereunder. In the operations of the Program, the Board shall have authority to interpret and administer the Program in a manner which complies with the Statutes and the guidance thereunder.

**(b)** The Board reserves the right to make changes or enhancements to the Program at any time to comply with Federal laws and regulations and the Florida Legislature's grant of authority under Sections 1009.971(4)(b), 1009.971(6), 1009.981 (2)(b)(1) – (11), and 1009.981(2)(d) through the rulemaking process as more fully described in Section 120.54, Florida Statutes. Account Owners who have established Accounts prior to the time an enhancement is

made available, may be precluded by federal tax law from participating in such enhancement.

**(c)** Although the Board currently has no plans to do so, the Board may: **(1)** discontinue the Program, **(2)** refuse to accept additional contributions to existing Accounts, or **(3)** refuse to accept Applications for new Accounts.

**(d)** The Program shall continue indefinitely until its existence is terminated by law, if ever. If the Program is terminated, the Account Balance shall be returned to Account Owners to the extent financially feasible. Any unclaimed Account funds shall be treated as abandoned property and shall revert to the State of Florida in accordance with Florida law.

**(e)** The State of Florida or the Board may determine that the Program is not financially feasible and may discontinue it after adequate provision is made for the return of the Account Balance to the Account Owner. There is a possibility, due to poor performance of the Investment Options selected by the Account Owner, that the Account Balance may be zero or significantly lower than the amount of funds contributed to the Account. Termination of the Program may result in a Non-Qualified Withdrawal by Account Owners for which tax and penalties may be assessed.

**12.08 State Pledge.**

The State of Florida pledges to the Account Owners and Beneficiaries of the Program that the State of Florida will not limit or alter the rights under Section 1009.981, Florida Statutes, which are vested in the Program until such obligations are met and discharged. However, Section 1009.981(9), Florida Statutes, does not preclude such limitation if adequate provision is made by law for the protection of the Account Owner and Beneficiary pursuant to the obligations of the Board, and if the State of Florida or the Board determines that the Program is not financially feasible, the State of Florida or the Board may discontinue the Program. If the Program is discontinued, the Board shall refund to Account Owners their Account Balance.

**12.09 Disputes.**

Any controversy or claim arising out of or relating to the Participation Agreement, or the breach, termination or validity thereof, shall be resolved in an administrative proceeding conducted pursuant to the provisions of Chapter 120, Florida Statutes.

**12.10 Indemnification.**

**(a)** Neither the Board nor the Program will indemnify any Account Owner, Authorized Agent, Joint Approver, Survivor, or Beneficiary against losses or other claims caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, terrorism, strikes, changes in federal or state law (including tax law), or other conditions beyond their control.

**(b)** The establishment of the Account will be based upon the Account Owner's agreements, representations and warranties set forth in the Participation Agreement and the Application. The Account Owner agrees to indemnify and hold harmless the Board, any vendors, contractors, investment advisors, investment consultants or investment managers selected by the Board, and any agents, representatives, or successors of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorney's fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by the Account Owner herein or otherwise with respect to the Account, and any breach by the Account Owner of any of the agreements, representations or warranties contained in the Participation Agreement or the Application.

**(c)** All of the Account Owner's acknowledgements, agreements, representations and warranties shall survive the termination of the Participation Agreement.

**12.11 Improper Action by Account Owner Acting in Custodial Capacity.**

Neither the Board nor the Program will be liable for any consequence related to an action taken by an Account Owner acting in a custodial capacity which is an improper use, transfer, or characterization of custodial funds.

**12.12 Binding Nature; Third-Party Beneficiaries.**

**(a)** The Participation Agreement shall survive the death of the Account Owner (or sale, liquidation, bankruptcy or receivership in the case of an Account Owner that is an entity) and shall be binding upon the Account Owner's personal representatives, legal representatives, heirs, successors and assigns.

**(b)** This Agreement is not intended to, nor does it, confer any benefit or legal rights upon any third-party beneficiary. The individual designated as the Beneficiary of an Account has no independent claim, right or access to any funds in an Account solely related to such designation unless otherwise provided herein.

**12.13 Creditors.**

This Agreement is not a debt instrument. Pursuant to Sections 222.22 and 732.402, Florida Statutes, Accounts

are exempt from the claims of creditors. Neither monies paid into the Program nor benefits accrued through the Program may be pledged for the purpose of securing a loan.

**12.14 Headings.**

The heading of each section, paragraph and provision in the Terms and Conditions shall not be deemed to modify or qualify any of the rights or obligations set forth in each such section, paragraph and provision.

## SECTION 13: SPECIAL PROGRAMS

**13.01 Approved Special Programs**

**(a)** Special Programs shall refer to Accounts purchased by **(1)** the Board, **(2)** the Foundation, **(3)** a not for profit or tax-exempt organization, pursuant to the Code, that is operating a scholarship program, **(4)** participants of an employer participation program, or (5) court order.

**(b)** Special Program Accounts are subject to **(1)** the approval of the Board or the Foundation and **(2)** the rights and restrictions of this section.

**(c)** Funds provided by the Board or the Foundation, will not be made payable to the Account Owner.

**13.02 Scholarship Programs**

Scholarships and/or scholarship programs shall award students based on documentation supporting a predefined criteria composed of one or more of the following conditions:

**(a)** Economic disadvantage including but not limited to, qualifying for the free/reduced public school lunch program;

**(b)** Individuals at risk of dropping out of school due to poor attendance, poor academic performance, and/or other circumstances that may make it difficult for the individual to graduate and pursue a postsecondary education;

**(c)** Academic requirements , including but not limited to, superior academic performance, achieving grade-level requirements, attendance at a sponsoring institution, or pursuit of a specified academic field of study;

**(d)** Commitment to being drug free, as that term is described in Section 1009.984, Florida Statutes;

**(e)** Commitment to being crime free, as that term is described in Section 1009.984, Florida Statutes;

**(f)** A completed assignment or contest entry demonstrating eligibility;

**(g)** Engagement requirements, including but not limited to, participating in a mentorship program; random drawing; and/or

**(h)** Other conditions as defined by the Board, by the Foundation, or by Florida Law.

**13.03 Scholarship Beneficiary Eligibility.**

**(a)** An Account Owner purchasing an Account as a scholarship may specify the requirements for student scholarship award.

**(b)** A substitute Beneficiary need not be a Member of the Family of the original Beneficiary.

**(c)** At the request of the Board or of the Foundation, the Account Owner shall provide documentation to support the determination criteria and validation used to name a Beneficiary or substitute Beneficiary for a scholarship.

**(d)** By accepting a scholarship, the Beneficiary authorizes the Board, the Foundation, and the Account Owner to publicly release information about the Beneficiary, college attendance and education, and participation in the Scholarship Program and to use such information and images in digital and printed media and communications.

**(e)** At the request of the Board or the Foundation, the Beneficiary shall provide documentation and complete periodic surveys to maintain and utilize scholarship funds. Failure to provide the information timely may result in non-payment of funds or the scholarship being revoked.

**13.04 Media**

**(a)** Approval of a scholarship program is not, and shall not be promoted by the Account Owner as, an endorsement of the scholarship program, the Account Owner, or related entity thereof without the written consent of the Board or the Foundation.

**(b)** For scholarships funded in whole, or in part, by the Board or the Foundation, acknowledgement shall be given in all external and media communications and such communications shall be approved by the Board or the Foundation.

**(c)** The Board and/or the Foundation may market, promote, or otherwise address its participation in scholarship programs in external and media communications.

*Form FPCB 2025-06, Effective 2025-07, incorporated by reference in Rule 19B-16.003, F.A.C.*

# APPENDIX A – PROGRAM PARTNERS

The Florida Prepaid College Board uses a strategic and competitive selection process to identify and contract with professional service providers to support the Florida Investment 529 Plan. The following represents key Program partners by service area:

| Audit Services | Custodian | Investment Consultant | Records Administration |
|---|---|---|---|
| CRI Carr Riggs & Ingram CPAs and Advisors | Northern Trust | Aon | Catalis |

| Investment Management | Investment Management | Investment Management | Investment Management |
|---|---|---|---|
| Vanguard | BlackRock | Wellington Management | Eaton Vance |

| Investment Management | Investment Management |
|---|---|
| Florida Prime | Dimensional |

# APPENDIX B – UNDERLYING PORTFOLIO INVESTMENTS

Listed below are underlying investments available for the Enrollment Year and Static investment options. The availability of any fund depends on the investment option you choose. These funds are subject to change at any time without notice.

Ticker numbers are provided to show detailed information related to the fund's investments and strategies. The Board calculates its own NAV for each investment option which is different than the NAV provided by the Fund.

| Underlying Investment Funds | | | | | |
|---|---|---|---|---|---|
| | Components | Manager | Fund Name | Benchmark | Ticker |
| | Global Equity | DFA | Global Equity Fund | MSCI All Country World Index | DGEIX |
| | Domestic Equity | Vanguard | Total Stock Market Index | CRSP US Total Market Index | VSMPX |
| | International Equity | Vanguard | Total International Stock Market Index | FTSE Global All Cap ex US Index | VTPSX |
| | High Yield | Vanguard | Vanguard High-Yield Corporate Fund | 95% Bloomberg Barclays U.S. High-Yield Ba/B 2% Issuer Capped Index and 5% Bloomberg Barclays U.S. 1–5 Year Treasury Bond Index. | VWEAX |
| | Emerging Debt | Vanguard | Emerging Markets Index Fund | Bloomberg Barclays U.S. Dollar Emerging Markets Government RIC Capped Index | VGIVX |
| | Bank Loans | Eaton Vance | Floating Rate Fund | SMP/LSTA Leveraged Loan Index | EIBLX |
| | Core Fixed Income | Vanguard | Vanguard Total Bond Market Index | Bloomberg Barclays Aggregate | VBMPX |
| | TIPS | Vanguard | Short Term Inflation Protected Securities Index Fund | Barclays US 0-5 year TIPS Index | VTSPX |
| | Money Market | Florida Prime | IMA | Merrill Lynch 91 day T Bill | Exclusive |

# APPENDIX C – INVESTMENT OPTION RISK

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. The investment risks addressed below represent key risks to be aware of in this Program. The list and descriptions are provided for informational purposes and are not intended to cover all risks associated with investment in the Program.

## FIXED INCOME RISK

Fixed income investments are generally considered less risky than equities. Primary risk considerations include: **interest rate risk**, declining security price due to rising interest rates; **credit risk**, failure of a bond issuer to pay interest/principal timely; **call risk**, redemption by a bond issuer prior to maturity due to falling interest rates causing reinvestment at a lower rate; **extension risk** for mortgage backed securities, loan payoff later than expected preventing reinvestment at higher interest rates; and **prepayment risk** for mortgage backed securities, loan payoff faster than expected causing reinvestment at lower interest rates.

## EQUITY RISK

Equity investments are subject to **stock market risk**, a decline in stock prices. Markets generally move in cycles, with periods of rising and periods of falling prices. In addition to stock market risk, primary international equity risks include: **country/political risk**, world events (such as political changes, natural disasters, or financial troubles) causing decline in price; and **currency risk**, declining stock value due to declining currency value.

## ACTIVE MANAGEMENT RISK

When investing to outperform a benchmark, security selection may result in relative underperformance. Traditionally, active styles have higher fees than passive.

## PASSIVE MANAGEMENT RISK

When replicating a benchmark, the performance of selected securities may not match the index. Generally, excess returns are expected to be less than active styles

Predesigned portfolio options generally seek to diversify risk by investing in multiple asset classes. Risk exposures are generally subject to the proportional underlying fund components.

## RISKS BY INDIVIDUAL INVESTMENT FUND

The individual investment funds are generally focused exposures in a single asset class. The risk components of these options are summarized below. You should carefully consider investment risk factors, including the following primary risks by investment type, before enrolling and investing in the Program.

| Primary Investment Risk by Individual Investment Fund | | | | | |
|---|---|---|---|---|---|
| Risk Consideration | Fixed Income Risk | Equity Risk | Int'l Equity Risk | Active Mgmt. Risk | Passive Mgmt. Risk |
| Money Market Fund | ● | | | ● | |
| Core Plus Fixed Income Fund | ● | | | ● | |
| Core Fixed Income Fund | ● | | | | ● |
| High Yield Fund | ● | | | | ● |
| Emerging Markets Index Fund | ● | | | | ● |
| Bank Loans Fund | ● | | | ● | |
| Treasury Inflation-Protection Securities Index Fund | ● | | | | ● |
| U.S. Broad All Cap Index Fund | | ● | | | ● |
| U.S. Large Cap Equity Index Fund | | ● | | | ● |

| | | | | | |
|---|---|---|---|---|---|
| Small/Mid Cap Equity Index Fund | | ● | | | ● |
| Developed International Equity Fund | | | ● | ● | |
| Total International Index Fund | | | ● | | ● |
| Global Equity Fund | | | ● | ● | |
| Social Index Fund | | ● | | | ● |
| Real Estate Index Fund | | ● | | | ● |

For more information about individual investment option risk please see the related prospectus for the investment fund.

# APPENDIX D – INVESTMENT PERFORMANCE AND FEES

## ENROLLMENT YEAR INVESTMENT OPTION PERFORMANCE

| Annualized Investment Returns (Net of Fees) for the Period Ending March 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|
| Enrollment Year (Inception Date) | 1-Year | 3-Year | 5-Year | Inception | Fund Fee | Admin. Fee |
| 2043 (10/2024) | - | - | - | -0.67 | 0.08% | 0.00% |
| *Benchmark* | - | - | - | 0.22 | | |
| 2042 (10/2023) | 6.95 | - | - | 16.78 | 0.08% | 0.00% |
| *Benchmark* | 6.76 | - | - | 16.67 | | |
| 2041 (12/2002) | 6.95 | 6.76 | 14.74 | 8.26 | 0.08% | 0.00% |
| *Benchmark* | 6.76 | 6.54 | 13.87 | 9.50 | | |
| 2040 (12/2002) | 6.95 | 6.76 | 14.74 | 8.26 | 0.08% | 0.00% |
| *Benchmark* | 6.76 | 6.50 | 13.84 | 9.49 | | |
| 2039 (12/2002) | 6.98 | 6.77 | 14.75 | 8.27 | 0.08% | 0.00% |
| *Benchmark* | 6.79 | 6.51 | 14.03 | 9.53 | | |
| 2038 (12/2002) | 7.13 | 6.79 | 14.77 | 8.27 | 0.07% | 0.00% |
| *Benchmark* | 6.86 | 6.51 | 14.12 | 9.54 | | |
| 2037 (12/2002) | 6.93 | 6.33 | 14.47 | 8.20 | 0.07% | 0.00% |
| *Benchmark* | 6.66 | 6.03 | 13.81 | 9.47 | | |
| 2036 (12/2002) | 6.78 | 5.74 | 13.34 | 7.48 | 0.07% | 0.00% |
| *Benchmark* | 6.52 | 5.25 | 13.31 | 8.59 | | |
| 2035 (12/2002) | 6.67 | 5.31 | 12.32 | 7.34 | 0.06% | 0.00% |
| *Benchmark* | 6.39 | 5.02 | 13.01 | 8.50 | | |
| 2034 (12/2002) | 6.55 | 4.89 | 11.23 | 7.19 | 0.05% | 0.00% |
| *Benchmark* | 6.28 | 4.65 | 12.07 | 8.29 | | |
| 2033 (12/2002) | 6.43 | 4.44 | 10.15 | 7.04 | 0.05% | 0.00% |
| *Benchmark* | 6.15 | 4.26 | 10.92 | 8.14 | | |
| 2032 (12/2002) | 6.27 | 3.95 | 9.16 | 6.16 | 0.05% | 0.00% |
| *Benchmark* | 6.01 | 3.83 | 9.88 | 6.97 | | |
| 2031 (12/2002) | 6.15 | 3.48 | 8.09 | 6.00 | 0.05% | 0.00% |
| *Benchmark* | 5.90 | 3.42 | 8.89 | 6.82 | | |
| 2030 (12/2002) | 5.99 | 3.03 | 7.10 | 5.85 | 0.04% | 0.00% |
| *Benchmark* | 5.79 | 3.04 | 7.92 | 6.67 | | |
| 2029 (12/2002) | 5.98 | 2.60 | 6.07 | 5.69 | 0.04% | 0.00% |
| *Benchmark* | 5.80 | 2.68 | 6.94 | 6.51 | | |
| 2028 (12/2002) | 5.82 | 2.11 | 5.03 | 4.68 | 0.05% | 0.00% |
| *Benchmark* | 5.68 | 2.27 | 5.97 | 5.33 | | |
| 2027 (12/2002) | 5.63 | 1.69 | 4.07 | 4.53 | 0.06% | 0.00% |
| *Benchmark* | 5.55 | 1.90 | 5.02 | 5.18 | | |
| 2026 (12/2002) | 5.45 | 1.47 | 3.29 | 4.42 | *0.08%* | 0.00% |
| *Benchmark* | 5.43 | 1.73 | 4.27 | 5.07 | | |
| 2025 (12/2002) | 5.44 | 1.48 | 2.76 | 3.43 | *0.09%* | 0.00% |
| *Benchmark* | 5.44 | 1.80 | 3.68 | 3.89 | | |
| Enrolled (12/2002) | 5.49 | 2.01 | 2.81 | 3.45 | *0.09%* | 0.00% |
| *Benchmark* | 5.48 | 2.42 | 2.71 | 3.85 | | |

## PRE-DESIGNED PORTFOLIO PERFORMANCE

| Annualized Investment Returns (Net of Fees) for the Period Ending March 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|
| Portfolio *(Inception Date)* | 1-Year | 3-Year | 5-Year | Inception | Underlying Fund Fee | Admin. Fee |
| Multi-Manager Growth Portfolio *(12/2002)* | 6.20 | 6.54 | 14.58 | 8.23 | 0.18% | 0.00% |
| *Benchmark* | 6.92 | 6.52 | 13.85 | 8.96 | | |
| Multi-Manager Blended Portfolio *(12/2002)* | 5.88 | 4.39 | 9.44 | 6.25 | 0.12% | 0.00% |
| *Benchmark* | 6.24 | 4.49 | 8.85 | 6.97 | | |
| Multi-Manager Income Portfolio (10/2019) | 5.61 | 1.64 | 1.87 | 1.45 | 0.12% | 0.00% |
| *Benchmark* | 5.48 | 2.28 | 1.91 | 1.53 | | |
| Annualized Investment Returns (Net of Fees) for the Period Ending March 31, 2025 | | | | | | |
| Portfolio *(Inception Date)* | 1-Year | 3-Year | 5-Year | Inception | Underlying Fund Fee | Admin. Fee |
| Passive Growth Portfolio *(10/2019)* | 6.95 | 6.47 | 14.15 | 9.61 | 0.05% | 0.00% |
| *Benchmark* | 6.69 | 6.28 | 14.14 | 9.57 | | |
| Passive Blended Portfolio *(10/2019)* | 6.33 | 4.42 | 8.68 | 6.32 | 0.04% | 0.00% |
| *Benchmark* | 6.04 | 4.18 | 8.57 | 6.17 | | |
| Passive Income Portfolio *(10/2019)* | 5.53 | 1.48 | 1.06 | 1.09 | 0.05% | 0.00% |
| *Benchmark* | 5.27 | 1.61 | 0.99 | 0.97 | | |

## INDIVIDUAL INVESTMENT FUND PERFORMANCE

| Annualized Investment Returns (Net of Fees) for the Period Ending March 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|
| Portfolio *(Inception Date)* | 1-Year | 3-Year | 5-Year | Inception | Underlying Fund Fee | Admin. Fee |
| Money Market Fund *(12/2002)* | 5.19 | 4.57 | 2.82 | 1.72 | 0.04% | 0.00% |
| *Benchmark* | 4.97 | 4.23 | 2.56 | 1.61 | | |
| Core Plus Fixed Income Fund *(12/2002)* | 5.02 | 0.89 | 0.27 | 3.05 | 0.22% | 0.00% |
| *Benchmark* | 4.88 | 0.52 | -0.40 | 3.30 | | |
| Core Fixed Income Fund *(12/2020)* | 4.87 | 0.55 | N/A | -1.41 | 0.02% | 0.00% |
| *Benchmark* | 4.87 | 0.56 | N/A | -1.43 | | |
| High Yield Fund *(12/2020)* | 7.16 | 4.59 | N/A | 3.06 | 0.12% | 0.00% |
| *Benchmark* | 6.63 | 4.48 | N/A | 2.97 | | |
| Emerging Markets Index Fund *(12/2020)* | 6.79 | 2.88 | N/A | -0.61 | 0.13% | 0.00% |
| *Benchmark* | 6.75 | 3.41 | N/A | -0.55 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Bank Loans Funds *(12/2020)* | 5.67 | 5.89 | N/A | 5.03 | 0.78% | 0.00% |
| *Benchmark* | 6.86 | 7.21 | N/A | 6.27 | | |

| Annualized Investment Returns (Net of Fees) for the Period Ending March 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|
| Portfolio *(Inception Date)* | 1-Year | 3-Year | 5-Year | Inception | Underlying Fund Fee | Admin. Fee |
| Treasury Inflation-Protected Securities Index Fund *(12/2020)* | 7.06 | 3.26 | N/A | 3.46 | 0.03% | 0.00% |
| *Benchmark* | 6.98 | 2.95 | N/A | 3.26 | | |
| U.S. Broad All Cap Index Fund *(06/2013)* | 7.09 | 8.09 | 17.96 | 12.33 | 0.02% | 0.00% |
| *Benchmark* | 7.09 | 8.11 | 18.10 | 12.48 | | |
| U.S. Large Cap Equity Index Fund *(12/2020)* | 8.23 | 9.03 | N/A | 11.51 | 0.02% | 0.00% |
| *Benchmark* | 8.25 | 9.06 | N/A | 11.58 | | |
| Small/Mid Cap Equity Index Fund *(12/2020)* | -0.41 | 2.73 | N/A | 2.24 | 0.05% | 0.00% |
| *Benchmark* | -0.50 | 2.53 | N/A | 2.22 | | |
| Developed International Equity Fund *(12/2020)* | 10.53 | 9.23 | 12.58 | 5.80 | 0.45% | 0.00% |
| *Benchmark* | 4.88 | 6.05 | 11.77 | 5.66 | | |
| Total International Index Fund *(12/2020)* | 6.32 | 4.67 | N/A | 3.78 | 0.05% | 0.00% |
| *Benchmark* | 5.73 | 4.21 | N/A | 3.69 | | |
| Global Equity Fund *(12/2020)* | 5.20 | 6.86 | N/A | 8.87 | 0.25% | 0.00% |
| *Benchmark* | 7.15 | 6.91 | N/A | 7.71 | | |
| Social Index Fund *(12/2020)* | 7.16 | 8.45 | N/A | 9.98 | 0.13% | 0.00% |
| *Benchmark* | 7.37 | 8.57 | N/A | 10.27 | | |
| Real Estate Index Fund *(12/2020)* | 8.97 | -1.96 | N/A | 5.48 | 0.13% | 0.00% |
| *Benchmark* | 7.95 | -2.85 | N/A | 4.36 | | |

## PERFORMANCE DISCLOSURE

The investment returns herein represent composite returns for institutional portfolios comprising the Investment Options available to participants in the Florida Investment 529 Plan. The figures are calculated by the Board's investment consultant by computing the percentage change in the trust unit value of each Investment Option. The unit values for the Investment Options are calculated by the Board's custodian.

The performance of each Investment Option will vary from day to day based on the performance of the underlying stock, bond, and/or money market securities. The figures herein represent past performance for each Investment Option adjusted to reflect the Administration Fee.

Investment returns are provided as general information only and are not intended as investment or other advice. This information shall not be considered an offer to sell or solicitation to buy a particular investment. Past performance is no guarantee of future performance.

To obtain current investment returns, including additional details for benchmark and the relative performance of each Investment Option, please visit MyFloridaPrepaid.com.

## FEE DISCLOSURE

Fund Fees are set by the Investment Manager. The provided fees are current as of the publication of this document. However, these fees are subject to change at the Investment Manager's discretion.

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