

# NC 529 Plan

North Carolina's National College Savings Program



## Supplement for Immediate Replacement of Participant and New Enrollment and Participation Agreement

**Make checks payable to: "NC 529 Plan"**

This form must be completed to transfer the ownership of an Account in North Carolina's National College Savings Program. The current Participant must complete **Section 1** and sign **Section 2**, and the immediate Successor Participant must complete **Sections 3-9**.

It is the responsibility of the Participant and the Successor Participant to read the *Program Description for North Carolina's National College Savings Program* (the "Program Description") for the terms, conditions, risks and full description of the Program. Consult a tax advisor for possible tax consequences of any requested change.

**Mail to:** NC 529 Plan  
P.O. Box 40877  
Raleigh, NC 27629-0877

**Overnight or registered mail:** NC 529 Plan  
2917 Highwoods Blvd.  
Raleigh, NC 27604

**Fax to:** 919-835-2304

For questions or forms, contact the Program Administrator College Foundation, Inc.  
CFNC.org/NC529 800-600-3453  
919-828-4904 (Raleigh)

Please print clearly in capital letters and dark ink.

## 1 Current Participant Information *(Person who presently owns the Account.)*

Name of Current Participant (First, Middle, Last, Suffix)

Account Number

I designate the person below to replace me **immediately** as the Participant (owner) of this Account. I understand my Successor Participant will become the Account owner, that (s)he assumes all the rights and responsibilities with respect to the Account that I had as Participant, including the right to change the Beneficiary of the Account, and that all Contributions and earnings in the Account become the property of the Successor Participant.

Name of Successor Participant (First, Middle, Last, Suffix)

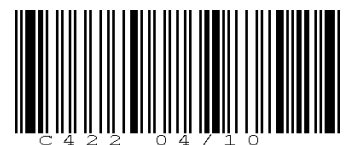
Note: If replacement request is due to the death or incapacity of the current Participant, the potential successor must attach documentation to support the change, such as a copy of the current Participant's death certificate.

## 2 Current Participant Signature

By signing this supplement, I hereby certify that all of the information in **Sections 1 and 2** is true, complete and correct, and I authorize College Foundation, Inc., to transfer the ownership of my Account to the Successor Participant designated in **Section 1**.

\_\_\_\_\_  
Signature of Current Participant

Date (month, day, year)



# 3 New Participant Information (Person who is replacing the present Account owner.)

Name of New Participant (First, Middle, Last, Suffix)

Check type and enter the number.

SSN

TIN

Social Security or Taxpayer Identification Number

Birth Date (month, day, year)

Address (line 1)

Address (line 2)

City

State

Zip or Postal Code

Country (if not U.S.)

Primary Telephone Number (8:00 a.m. to 5:00 p.m.)

Alternate Telephone Number

E-mail Address

**Electronic Delivery:** I prefer online notification of quarterly Account statements and other communication using my e-mail address above instead of receiving paper statements and notices via standard mail.

Yes  No

## Optional Information

**A. What is your relationship to the Account Beneficiary (future student)?**

Self

Parent

Grandparent

Other Family/Friend

**B. What is your annual household income?**

Under \$20,000

\$20,000 - \$49,999

\$50,000 - \$79,999

\$80,000 - \$100,000

Over \$100,000

## Successor Participant Information (Optional)

The Successor Participant is the individual you may designate to replace you as Participant in the event of your death or incapacity; he or she must be at least 18 years old. Until the time that a Successor Participant may take over your Account, this person does **not** have access to the Account or any information related to it.

Name of Successor Participant (First, Middle, Last, Suffix)

Check type and enter the number.

SSN

TIN

Social Security or Taxpayer Identification Number

Birth Date (month, day, year)

Telephone Number

# 4 Beneficiary Information *(The Beneficiary is the future student.)*

If the Beneficiary does not yet have a Social Security or Taxpayer Identification Number, send it to the Program Administrator as soon as it is available.

Name of Beneficiary (First, Middle, Last, Suffix)

Check type and enter the number.

SSN

TIN

Social Security or Taxpayer Identification Number

Birth Date (month, day, year)

State of Residence

Expected Year of College Enrollment

# 5 Duplicate Statement Request *(Optional)*

Enter below anyone you want to receive copies of your Account statements, such as a financial advisor or relative. This person is **not** authorized to access or make any changes to your Account.

Name (First, Middle, Last, Suffix)

Address (line 1)

Address (line 2)

City

State

Zip or Postal Code

# 6 Investment Options

The investment of current assets and future Contributions will remain as established on the original Account, unless you elect to make changes to the Investment Options below. Refer to the Program Description for detailed information on each Investment Option.

Use only whole numbers, not fractions, for your Contribution percentages. Your total investment must equal 100%.

**Note:** Contributions that accompany this form and all future Contributions to your Account will follow the instructions provided below. Designation of *future* Contributions may be changed at any time. To change either currently invested or future Contributions later, complete an *Enrollment and Participation Agreement Supplement* (Form C421).

## Investment Options

### Age-Based Options

**V Fund** (Mutual funds from The Vanguard Group, Inc.).  
Select Track based on your risk tolerance; the Program automatically places assets into the appropriate age range and migrates based on Beneficiary's birth date.

**Make your selection below:**

Aggressive Track

Allocations  
of Current Assets

Allocations of  
Future Contributions

%

%

Moderate Track

%

%

Conservative Track

%

%

### Individual Options

**Active Core Equity Fund\*** (Managed by NCM Capital Management Group, Inc.).

%

%

**Dependable Income Fund** (Managed by North Carolina State Treasurer).

%

%

**Federally-Insured Deposit Account** (Offered by State Employees' Credit Union).

%

%

**V Fund 1** (Vanguard® LifeStrategy Growth Fund).

%

%

**V Fund 2** (Vanguard LifeStrategy Moderate Growth Fund).

%

%

**V Fund 3** (Vanguard LifeStrategy Conservative Growth Fund).

%

%

**V Fund 4** (Vanguard LifeStrategy Income Fund).

%

%

**V Fund 5** (Vanguard Prime Money Market Fund).

%

%

**V Fund 6** (Vanguard Total Stock Market Index Fund).

%

%

**V Fund 7** (Vanguard Total International Stock Index Fund).

%

%

**V Fund 8** (Vanguard Total Bond Market Index Fund).

%

%

\*formerly named Aggressive Stock Fund

**TOTAL**

%

%



# 8 Financial Institution Information (Required to establish EFT and/or Automatic Draft services.)

**Note:** Electronic Funds Transfer or Automatic Draft options are available only from a U.S. bank, savings and loan association, or credit union that is a member of the Automated Clearing House (ACH) network.

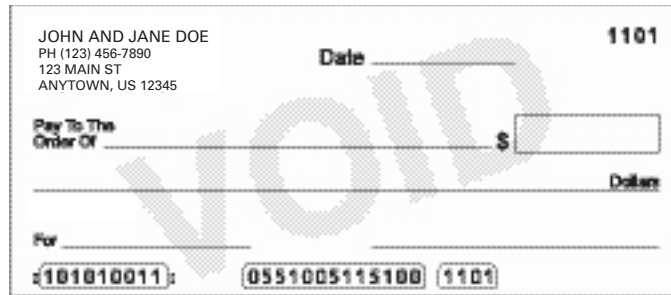
Provide account information below. During the initial enrollment process for your new 529 Account, please provide information for only one financial institution. To add another or change financial institution account information, complete an *Enrollment and Participation Agreement Supplement* (Form C421), or go online to [CFNC.org/NC529](http://CFNC.org/NC529).

**Account Type**

**Check one.**     Checking     Savings

Financial Institution Name

Telephone Number



↑ Routing Number                      ↑ Account Number                      ↑ Check Number (do not enter)

Routing Number

Account Number

# 9 Authorization — New Participant Must Sign Below

By signing this Enrollment Agreement and submitting it to College Foundation, Inc., the Program Administrator, I hereby certify that all of the information contained in this Enrollment Agreement is true, complete and correct, and I authorize College Foundation, Inc. to establish an Account based on this completed Enrollment Agreement. I accept the transfer of ownership of the Account and my designation as the new Participant. I understand College Foundation, Inc. will assign a new Account number based upon this completed Enrollment Agreement. I further certify that I have received and read the *Program Description for North Carolina's National College Savings Program* and that I agree to be bound by such Program Description, which I understand may be amended from time to time, and I agree to be bound by the Agreements, Representations, and Warranties contained in Section 10 of this Supplement.

Signature of Participant

Date (month, day, year)

# 10 Agreements, Representations, and Warranties of the Participant

Please read this carefully before you sign and submit your Enrollment Agreement.

**A. DEFINED TERMS.** Capitalized terms appearing but not defined in this Enrollment Agreement have the meanings assigned to them in the Program Description.

**B. CERTAIN AGREEMENTS, REPRESENTATIONS AND WARRANTIES.** I hereby represent and warrant to the Program Administrator and agree as follows:

**1. Program Description.** I have received, read and understand the *Program Description for North Carolina's National College Savings Program* as currently in effect, and as may be amended from time to time (the "Program Description"). In making a decision to open an Account and enter into this Enrollment Agreement, I have not relied on any representations or other information, whether oral or written, other than as set forth in the Program Description and this Enrollment Agreement. I agree to be bound by the terms and conditions set forth in the Program Description.

**2. Full Authority and Legal Capacity.** I have full authority and legal capacity to establish an Account in North Carolina's National College Savings Program.

**3. Limit on Contributions.** I certify that I intend that this Account fund the Qualified Higher Education Expenses of the Beneficiary of the Account, that each Contribution to the Account will be for that purpose, and that I will not make any Contribution to the Account if, to the best of my knowledge, the total value of the Account combined with the total value of all other accounts established for the Beneficiary in other qualified tuition programs under Section 529 of the Internal Revenue Code exceeds the amount necessary to provide for the Qualified Higher Education Expenses of the Beneficiary.

**4. Risks.** I recognize that the investment of my Account involves risks, including the risk of loss of my investment, as described in the Program Description. I understand that the returns on Contributions are not guaranteed by the State of North Carolina, the Authority, the Program Administrator, or any other governmental authority, or by any current or successor investment manager or Metropolitan Life Insurance Company ("MetLife") or any of their affiliates, directors, officers or employees; except to the extent MetLife has made certain guarantees to College Foundation, Inc. under its funding agreement. I further recognize that none of those preceding parties named has any debt or obligation, to any Participant, Beneficiary or any other person, to insure the payout of all or any portion of any amount contributed to my Account, or that there will be any return, or any return at any particular level, on my Account; except to the extent that MetLife has made guarantees to College Foundation, Inc., as agent for the Authority, under its funding agreement. I understand that MetLife's guarantees are not made to me individually.

**5. Electronic Funds Transfers and Automatic Drafts.** If I have elected to make Contributions by electronic funds transfers (EFT) or automatic draft, I authorize the Authority and the Program Administrator to initiate debit and/or credit entries in accordance with my instructions designated in the Enrollment Agreement or any future instructions against my account designated in this Enrollment Agreement or later designated by me. I authorize the to accept any such debits or credits to my account. I understand that my authorization for any such credit or debit must comply with applicable law, and I agree to hold harmless the Authority and Program Administrator for any credits or debits related to my Account that result in any losses, damage, liability, cost, or expenses. This authorization will remain in effect until I notify the Program Administrator in writing of its termination and until the Program Administrator has reasonable time to act on that termination. I further agree to maintain the balance in my designated account at a level sufficient to satisfy each debit transaction, and I understand that if the balance is insufficient, the Program Administrator may assess a fee in accordance with this Enrollment Agreement and the Program Description.

**6. Payroll Deduction.** If enrolling through a payroll deduction plan, I understand that the payroll deduction plan is being made available to me by my employer, and that my employer is responsible for collecting and forwarding my Contributions to the Program Administrator. I understand and agree that none of the Authority, the Program Administrator, each investment manager or any successor investment manager or MetLife, or any third party payroll service provider of my employer, or any of their affiliates, directors, officers, employees, or agents (collectively the "Program Parties") is liable for any act, omission or error by the Program Parties in connection with my Account, except to the extent of any liability imposed by federal law or other applicable law that cannot be waived.

## **7. Transfers and Rollovers.**

### **a. Transfers from an Existing UGMA/UTMA Custodial Account.**

If I am funding my Account through a transfer of assets from an existing Uniform Gifts to Minors Act/Uniform Transfers to Minors Act (UGMA/UTMA) custodial account, I recognize that there may be certain adverse tax consequences. I understand that I will not be able to change the Beneficiary of the Account or authorize any Withdrawals from the Account unless the Withdrawal is for a use permitted under the law governing the UGMA/UTMA custodial account and any relevant terms and conditions for the UGMA/UTMA custodial account. I further understand that any additional Contributions made to the UGMA/UTMA Account established by this Enrollment Agreement will be subject to the terms and conditions of the UGMA/UTMA custodial account and the state law that governs the UGMA/UTMA custodial account.

### **b. Rollovers and Other Transfers.**

Unless I return the *Rollover and Transfer Form* with this Agreement, I certify that no part of any Contribution that I make to an Account established pursuant to this Enrollment Agreement consists of proceeds derived from a Rollover of amounts from another qualified tuition program or transfer of proceeds from a Coverdell Education Savings Account or a Qualified Savings Bond (Series EE or Series I, issued after 1989). I further certify that if any part of a future Contribution consists of such amounts or proceeds, I will so inform the Program Administrator and agree to provide documentation as requested by the Program Administrator regarding the earnings associated with the other qualified tuition program, Coverdell Education Savings Account, or Qualified Savings Bond (Series EE or Series I, issued after 1989). I recognize that if I fail to provide acceptable documentation, the Program Administrator will treat such Contributions entirely as earnings as required by applicable rules, regulation, or guidance from the Internal Revenue Service.

**8. Account Changes.** If I use telephone services or other electronic means for Account changes: (a) I recognize that I may use the services only to update or change certain information contained in the Enrollment Agreement, as explained in the Program Description; (b) I authorize the Program Administrator and its agents to act on my instructions, and I agree to hold harmless the Program Administrator and its agents for any loss, damage, liability, cost, or expenses including reasonable attorney's fees resulting from such instructions reasonably believed to be genuine; and (c) I understand that the Program Administrator or its agents will employ reasonable procedures such as requesting personal information to verify that the caller or user of electronic means is the Participant. In addition, telephone calls may be recorded as documentation, and I consent to such recording.

**9. Taxes.** I understand my Contributions per Beneficiary in a calendar year generally may not exceed the applicable annual federal exclusion without incurring federal and North Carolina gift taxes. I further understand that certain transactions with my Account including but not limited to certain Rollovers, Non-Qualified Withdrawals, or Withdrawals on account of Beneficiary's death, Permanent Disability, or receipt of a Scholarship, may result in regular federal and/or state income taxes and an additional 10% federal income tax on earnings. Please refer to the Program Description for details on any tax consequences related to Contributions or other transactions with my Account.

**10. Fees and Charges.** I understand that my Account and certain transactions to or from my Account are subject to the fees and charges set forth in the Program Description. I understand further that these fees and charges may change in the future. I agree that the payment of the administrative fees and asset-based charges set forth in the Program Description are an unconditional obligation of mine and the Account and shall be payable on my behalf by the Program Administrator from Contributions or transfers of funds to my Account or from assets in my Account as provided in the Program Description.

**11. Finality of Decisions and Interpretations.** All decisions and interpretations by the Authority and the Program Administrator in connection with the operation of the Program shall be final and binding on each Participant, Beneficiary and any other person affected thereby.

**12. Indemnity.** I understand that the establishment of my Account is based on my agreements, representations and warranties set forth in this Enrollment Agreement. I will indemnify and hold harmless Program Parties, from and against any 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 by me herein or otherwise with respect to my Account, and any breach by me of any of the agreements, representations or warranties contained in this Enrollment Agreement. I agree to hold harmless the Program Parties for any loss, cost, or expense resulting from my instructions reasonably believed to be genuine. This provision, and all of my agreements, representations or warranties will survive termination of this Enrollment Agreement.

**13. Use of Tax Identification Numbers.** I understand that the Program Administrator may collect and use the Social Security Numbers or Taxpayer Identification Numbers provided in this Enrollment Agreement for certain federal and state tax reporting requirements and for verifying identity for Account access by telephone or other electronic means, and I consent to such use.

**14. Effectiveness of Enrollment Agreement.** This Enrollment Agreement will become effective upon the opening of the Account by the Program Administrator.

**15. Binding Nature, Third-Party Beneficiaries.** This Agreement will survive my death and will be binding on my personal representatives, heirs, successors, and assigns. The Program Administrator is a third-party beneficiary of my agreements, representations, and warranties in this Enrollment Agreement.

**16. Amendment and Termination.** At any time, and from time to time, the Authority and the Program Administrator may amend this Enrollment Agreement or the Program Description, or may suspend or terminate the Program.

**17. Governing Law.** The Program and this Enrollment Agreement are governed by North Carolina law, and I submit to the exclusive jurisdiction of courts in North Carolina for all legal proceedings arising out of or relating to the Program or this Enrollment Agreement.