

# NC 529 Plan

North Carolina's National College Savings Program



## Enrollment and Participation Agreement

Make checks payable to: "NC 529 Plan"

Use this form to establish a new Account. The terms, conditions, risks and full description of the Program are contained in the Program Description for North Carolina's National College Savings Program (the "Program Description"). You should read that document in full before completing this Enrollment and Participation Agreement (the "Enrollment Agreement"). Complete a separate Enrollment Agreement for each Beneficiary for whom you are establishing an Account.

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

Email to: savings@cfnc.org

Please print clearly in capital letters and dark ink.

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

One of the College Foundation of North Carolina (CFNC) services helping students and families plan, apply and pay for college.

# 1 Type of Account

- Check one.  Individual 529 Account  
 UGMA/UTMA Account. I am opening this Account with assets liquidated from an UGMA/UTMA custodial account. I understand that the minor named on the UGMA/UTMA custodial account and the Beneficiary named on this Account must be the same. (See item 7a of Section 9 of this Enrollment Agreement.)

For other types of Accounts, such as Trust, Entity, Scholarship, or Accounts that may involve a business entity, state or local government agency, 501(c)(3) organization, or certain legal requirements, please download and complete an Enrollment and Participation Agreement for Entities (Form C420d) or call 800-600-3453 for assistance.

# 2 Participant Information (The person who establishes, owns, and controls the Account.)

Name of 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. (Checking "No" indicates preference for paper, which incurs an automatic deduction of \$1.50 per month from your Account for mailing costs.)

Yes  No





# 5 Investment Options

Refer to the Program Description for detailed information on each Investment Option.

**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

You have multiple choices for your Investment Options. You may choose one of the age-based options and/or one or more of the individual options. Use only whole numbers, not fractions, for your Contribution percentages. Your total investment must equal 100%.

### Vanguard Age-Based Options

The Program will automatically place assets into the appropriate age range and migrate them based on Beneficiary's birth date.

### Contribution Percentages

%

Select only one age-based track:

- Aggressive Track
- Moderate Track
- Conservative Track

### Individual Options

**Federally-Insured Deposit Account** (Provided by State Employees' Credit Union)  %

**Vanguard Aggressive Growth Portfolio**  %

**Vanguard Growth Portfolio**  %

**Vanguard Moderate Growth Portfolio**  %

**Vanguard Conservative Growth Portfolio**  %

**Vanguard Income Portfolio**  %

**Vanguard Interest Accumulation Portfolio**  %

**Vanguard Total Stock Market Index Portfolio**  %

**Vanguard Total International Stock Index Portfolio**  %

**Vanguard Total Bond Market Index Portfolio**  %

**TOTAL**  %

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## Contribution Methods *(The minimum amount required for all Contribution methods is \$25.)*

### Source of Funds *(Check and complete all that apply.)*

For information on wire transfers, please call us at 800-600-3453.

#### A. Lump Sum

- Personal Check or Money Order** *(Make payable to NC 529 Plan.)*

Amount (\$25 minimum) \$ , .

- Electronic Funds Transfer (EFT)**

*(To make a one-time transfer from your account with a financial institution to your NC 529 Account.)*

**Note:** To set up this option, provide account information in **Section 7**. If a Contribution is not honored by your financial institution, you will be assessed a transaction fee.

Amount (\$25 minimum) \$ , .

#### B. Transfer or Rollover

- Assets from another State's Section 529 Qualified Tuition Program.**

*(Complete and send Incoming Rollover (Form C427) to that program's manager, not to the NC 529 Plan.)*

- Coverdell Education Savings Account, a Qualified Savings Bond (Series EE or I, issued after 1989) or an existing NC 529 Account.**

*(Complete and return Rollover and Transfer (Form C445) to the NC 529 Plan with your enrollment form.)*

#### C. Automatic Investment Plan

- Automatic Draft**

*(To transfer funds electronically on a regular basis from your account with a financial institution to your NC 529 Account.)*

You may change the Contribution amount and frequency by going online to **CFNC.org/NC529** or by completing an *Enrollment and Participation Agreement Supplement* (Form C421). It may take up to 5 days to set up an automatic draft with your financial institution.

**Note:** To set up this option, provide account information in **Section 7**. If a Contribution is not honored by your financial institution, you will be assessed a transaction fee.

Amount (\$25 minimum) \$ , .

##### Frequency

*Check one and include the day(s) on which you want funds debited.*

**Note: Unless you select a different schedule below, your account will be debited on the 20th of each month.** If a debit date is scheduled for a weekend or holiday, the debit will occur on the next business day. **You must select a debit date that falls within the first 28 days of the month.**

Once a month on the  day of the month.

Twice a month on the  and  days of the month.

- Payroll Deduction**

Please confirm with your employer that your company will support payroll deduction Contributions to North Carolina's National College Savings Program (NC 529 Plan). If your company does not currently support, please call 800-600-3453 for more information.

Minimum Contribution amount per pay period must be \$25.

**Note:** To begin payroll deduction, also complete and return the *Payroll Deduction Authorization Agreement* (Form C426).

Employer Name

Employer Code *(if known)*



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## 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 any of their affiliates, directors, officers or employees. Notwithstanding the foregoing, contributions and interest thereon allocated to the Federally-Insured Deposit Account are guaranteed by SECU and insured by the National Credit Union Administration ("NCUA"), which is backed by the full faith and credit of the United States Government. I understand the value of my Account may fluctuate depending on market conditions and the performance of the Investment Options selected and that I could lose money by investing in the Program.

**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 financial institution 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 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, asset-based charges, and any other fees 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.