

FLORIDA PREPAID COLLEGE BOARD FAQ

▶ Starting is Believing

When is Open Enrollment and what does it mean?

- ▶ The Florida Prepaid College Board's annual Open Enrollment period is Oct. 15, 2015 - Feb. 29, 2016.
- ▶ Open Enrollment is the only time of the year families can purchase a Florida Prepaid College Plan.
- ▶ During this time, families can select one of five Prepaid Plans, each with specific costs, payment schedules and benefits.
- ▶ Families can open a 529 Savings Plan account at any time of the year.

What Prepaid Plan options are available?

We offer five Prepaid Plans, each with specific costs, payment schedules and benefits which all include tuition and other specified fees at 28 Florida Colleges or 12 State Universities.* Though each option is designed to be used at a Florida College or State University, the amount covered by the plan can also be applied to other schools nationwide. Florida Prepaid Plan Options include:

- ▶ **2-Year Florida College Plan:** The 2-Year Florida College Plan covers tuition and other specified fees for 60 lower division credit hours at a Florida College. This plan offers a child the opportunity to earn an associate's degree or trade certification in any number of fields, and is an excellent springboard to a fulfilling career or further education.
- ▶ **4-Year Florida College Plan:** The 4-Year Florida College Plan covers tuition and other specified fees for 60 lower division credit hours and 60 upper division credit hours at a Florida College – the amount generally required to earn a bachelor's degree. Most Florida Colleges now offer bachelor's degree programs in growth industries like nursing and teaching. With diverse course offerings and convenient locations, this offers tremendous flexibility and multiple degree options should a child wish to attend school close to home or anywhere throughout the state.
- ▶ **2 + 2 Florida Plan:** The 2 + 2 Florida Plan covers tuition, tuition differential fee and other specified fees for 60 lower division credit hours at a Florida College and 60 credit hours at a State University. Your student can earn the same degree in the same amount of time as if they had completed all four years at a State University, and will do so knowing both of you have saved money.
- ▶ **1-Year Florida University Plan:** The 1-Year Florida University Plan covers tuition, tuition differential fee and other specified fees at a State University for 30 credit hours – one quarter of the 120 credit hours typically needed to obtain a bachelor's degree. Our most affordable Prepaid Plan allows extended family members or friends to purchase a year or two as well, making saving for college a team effort.
- ▶ **4-Year Florida University Plan:** The 4-Year Florida University Plan covers tuition, tuition differential fee and other specified fees at a State University for 120 credit hours – the amount generally required for a bachelor's degree. The Florida University System blankets the state and features two preeminent universities, Florida State University and the University of Florida.

* Please refer to the Master Contract for specified fees and plan coverage.

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Does a student lose their Prepaid Plan benefits if they receive a scholarship, move somewhere outside of Florida or decide to attend a private college, out-of-state college or technical school?

- ▶ No, they do not necessarily lose their plan benefits.
- ▶ If a child receives a scholarship (like Bright Futures), the amount covered by a plan – not just what was paid in – can be refunded and transferred to another family member or used to pay for qualified educational expenses not covered by the scholarship.
- ▶ If a parent or child moves out of Florida, the child remains eligible for in-state tuition and fees at a Florida College or State University when they use their plan.
- ▶ Finally, if your child enrolls at a school other than one of Florida's 28 Public Colleges or 12 Public Universities, the defined benefits covered by a particular Prepaid Plan or plans can be transferred to a private or out-of-state eligible educational institution as defined by Section 529 of the Internal Revenue Code.

What are the Prepaid Plan prices and payment options?

- ▶ A Prepaid Plan cost calculator is available at: <http://www.myfloridaprepaid.com/what-we-offer/>
- ▶ Prices vary depending on plan type and the age of the beneficiary.
- ▶ For added flexibility, families can select from any of the three payment options; monthly, 5-year or lump sum. The most popular of the three options are the monthly payments, with approximately 70 percent of families going with that option.

6) How are Prepaid Plan prices calculated?

- ▶ Prepaid Plan prices are carefully calculated taking into account three factors.
 - The current cost of tuition and fees.
 - What the cost is expected to be by the time the child is ready to attend college.
 - Projected investment yields.

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What is the Florida 529 Savings Plan?

- ▶ Unlike Prepaid Plans, our Florida 529 Savings Plan does not have a set payment amount or schedule. A family can contribute as much or as often as desired.
- ▶ Accounts can be opened at any time. There is no application fee, so an Account Owner can get started for as little as \$ 25 / month. After the account balance reaches \$250, there is no minimum monthly contribution.
- ▶ Unlike Prepaid Plans, however, the Florida 529 Savings Plan is not guaranteed by the State of Florida.

What is the biggest difference between Florida 529 Savings Plans and Prepaid Plans?

- ▶ A Florida 529 Savings Plan is subject to fluctuations in the financial markets, while defined benefits covered by Prepaid Plans are guaranteed by the State of Florida.

At what age is it recommended that families purchase a plan for their children?

- ▶ It's never too early or too late to start saving for college. Still, we recommend families start saving as soon as their child is born, to allow the most time for them to meet their goals.
- ▶ Nevertheless, a Prepaid Plan can be purchased for a child in 11th grade or below and all ages are eligible for a 529 Savings Plan.

How can families get more information or purchase a plan?

- ▶ Families who prefer to speak with someone can call 800.552.GRAD (4723) to speak with a customer service representative.