

## First Step Program by CollegenInvest

### Terms & Conditions for 2024

#### General:

The First Step Program by CollegenInvest provides a contribution to the CollegenInvest account of a Beneficiary born or adopted in the State of Colorado on or after January 1, 2020. If you do not have a CollegenInvest account, you must open one prior to your application. The Account Owner must be a parent/legal guardian and the eligible child must be the Beneficiary.

The Account Owner must meet certain eligibility criteria as outlined in these Terms and Conditions.

No more than one application per Beneficiary will be accepted for a First Step contribution. Account Owners can submit separate applications for multiple Beneficiaries.

First Step awards in the calendar year of 2024 will be \$115 per Beneficiary. Thereafter, the rate will be adjusted periodically based on the cost-of-living adjustment.

Offering more opportunities for Colorado families to save for college, CollegenInvest will also match a portion of future contributions made by the parent or guardian. Participants who received their \$115 First Step award between January 1, 2024 and December 31, 2024 will receive a dollar-for-dollar match of their contributions up to \$500 per year for five (5) consecutive years. If the participant contributes less than \$500 during their enrollment year, the match will start on the following calendar year.

Eligible contributions are contributions made by the Account Owner during the contribution period. Upromise, Ugift, employer, promotions, and other non-account owner contributions do not qualify. The contribution period is for a calendar year from January 1 through December 31 annually. The matching funds will be awarded the following year by April 1. Awards will be deposited into the Account Owner's CollegenInvest account as a scholarship. Contributions made by the Account Owner are tax deductible, but the matching funds are not tax deductible.

CollegenInvest currently offers a separate Matching Grant Program for beneficiaries who don't qualify for the First Step Program. A beneficiary may only participate in one (1) Special Program.

#### Defined Terms:

**Account Owner** – The individual who owns and controls a CollegenInvest Account.

**Application Period** – The time frame CollegenInvest will accept applications for the First Step Program. The application period begins January 1, 2020. The application period ends December 31, 2040 at the latest, and may close earlier if the Board determines there is insufficient funding.

**Awardee** – An Applicant that meets all the requirements of the First Step Program and is awarded a contribution to their CollegenInvest Account.

**Beneficiary** – The child named in the account who will receive the benefits of the CollegenInvest Account. For the First Step Program, this individual must meet the eligibility requirements specified in these Terms and Conditions.

**CollegenInvest** – CollegenInvest is a not-for-profit division of the Colorado Department of Higher Education, responsible for administering Colorado's 529 college savings program. CollegenInvest

manages and administers the First Step Program. No taxpayer dollars or admin fees are used for this Program.

**CollegelInvest Account** – An account or accounts in any plan offered under the CollegelInvest 529 College Savings Program administered by CollegelInvest. These plans currently include the Direct Portfolio College Savings Plan, Scholars Choice College Savings Program, Smart Choice College Savings Plan, and the Stable Value Plus College Savings Plan.

**CollegelInvest First Step Program, or Program** – The program as described in these Terms and Conditions, as such Terms and Conditions may be amended from time to time by CollegelInvest.

**First Step Applicant, or Applicant** – A CollegelInvest Account Owner applying for CollegelInvest First Step who meets the eligibility criteria outlined in these Terms and Conditions.

**First Step Funds** – The funds awarded by CollegelInvest as a First Step contribution. Funds are subject to availability and are not guaranteed.

**Participant** – An Applicant that has been awarded a CollegelInvest First Step contribution.

**First Step Applicant Eligibility:**

The Applicant must be the parent (or legal guardian) of the child. Furthermore, the parent (or legal guardian) must be a U.S. citizen, legal permanent resident, or is otherwise lawfully present in the U.S. pursuant to federal law. Colorado law requires verification of the lawful presence in the United States of all persons 18 years of age or older before providing public benefits.

The Applicant must own or open a CollegelInvest account for the Beneficiary, which may be unfunded.

**Beneficiary Eligibility:**

The Beneficiary must be born or adopted in the State of Colorado on January 1, 2020 or later and must be under the age of 5 years old at the time of Application.

The Beneficiary may only receive one (1) First Step award. In the event of two First Step Applicants with the same Beneficiary, only the first application received in good order and processed by CollegelInvest will be accepted.

**Conditions and Amount of Award:**

If all of the eligibility criteria have been met and the application is eligible, the Applicant will be notified by CollegelInvest they are eligible. All such First Step contributions to be awarded will be subject to the availability of First Step Funds.

**Application for a First Step Contribution:**

Account Owners whose child may be eligible to receive a First Step contribution to their CollegelInvest account must submit an online First Step Application. Only one Application Form per Beneficiary. An Account Owner may apply for multiple Beneficiaries with separate CollegelInvest Account(s), by submitting a separate Application Form for each Beneficiary.

By applying for the Program, you agree to receive communications about the Program and your status from CollegelInvest by mail, email or phone.

**Application Period and Process:**

First Step Application Forms will be accepted beginning February 18, 2020 and daily thereafter.

First Step Applicants must complete the online Application Form. Eligibility for an award will be determined by CollegenInvest based on information provided to CollegenInvest by the Colorado Department of Health and Public Environment and the Applicant.

If the Beneficiary is deemed ineligible, or the application is incomplete, the application is rejected and CollegenInvest will notify the Applicant.

**Program Eligibility Verification:**

In the event CollegenInvest determines that any false information was provided by the Participant with respect to his or her Program eligibility, CollegenInvest shall have the right to immediately revoke the First Step Award without the consent of or prior notice to the Participant or the Beneficiary. The selection of First Step Program Participants will be conducted by CollegenInvest personnel whose decisions shall be final.

**Ownership and Investment of Participant's CollegenInvest Account:**

The Participant opens, owns and otherwise maintains control of his/her CollegenInvest account as the Account Owner. The Participant chooses investment options and determines when and if funds are disbursed according to Section 529 of the Internal Revenue Code. His or her CollegenInvest Account is governed by the rules set forth in the Plan Disclosure Statement for the particular plan in which the Participant (as Account Owner) has invested.

**Program Disqualification:**

First Step participants who make a withdrawal from their CollegenInvest account, close their CollegenInvest account, change the beneficiary from the First Step participant, or rollover into a non-CollegenInvest account are immediately disqualified from the First Step Program and will not receive future matches or any other program incentives. However, investment changes, including rollovers into another CollegenInvest plan are allowed in accordance with applicable plan guidelines. See Plan Disclosure Statements for the Plan you are invested in for more details.

**Investment Options for Accounts:**

The Participant can choose any investment option available under the CollegenInvest plan for his/her CollegenInvest Account. See the Plan Disclosure Statement for the Plan you are invested in for details.

**Public Assistance Consequences:**

Determining the effect of the First Step Award and the Participant's CollegenInvest Account on eligibility for public assistance programs is the responsibility of the Participant/Account Owner. The Participant/Account Owner should consult a qualified advisor to determine how a college savings plan and/or an award such as First Step may affect eligibility for state and/or federal benefits. CollegenInvest makes no representation in regard to the effects of a First Step or CollegenInvest Account on eligibility for public assistance programs.

**Participant's CollegenInvest Account Tax Advantages and Consequences:**

To learn about tax advantages and consequences for any CollegenInvest Account, please refer to the Plan Disclosure Statement for the applicable CollegenInvest plan in which you are invested.

**Updated Terms and Conditions:**

To meet the demands of the First Step Program, CollegenInvest reserves the right to and may periodically make adjustments to the Program's Terms and Conditions.