

**Maryland529 Prepaid Trust is NOT honoring their contractual obligations of their Contracts.**

In all Contracts from 1998-2021, Article VI or VII in each, contained an additional Benefit Option available to all policy holders of a “Termination, Transfer, and Refund Termination”. A Transfer via a Rollover to Maryland College Investment Trust or another program intended to comply with Section 529 of the Internal Revenue Code.

For MPCT Contracts over 3 years old, the transferable amount will equal the contributions to the Prepaid College Trust plus or minus 100% of Investment Earnings or losses realized on the contributions, less any administrative fees or Benefits used. The MPCT is NOT honoring this Section/Article of their contractual obligations and has frozen all Earnings usage, as well as began applying the incorrect Weighted Average Tuition Minimum Benefit Earnings Calculation to both those Benefits, and the Rollover/Transfer/Termination actions mentioned above. This has led to a +/- 90% loss of Investment Earnings by ALL 31,000 policyholders.

Calculations changes voted on by MD529 Board in 2021, with ambiguous language as to IF the new Earnings Rate is applicable to both prior and future years. Current “recalculations” and interpretation by current Executive Director and Board are only applying the ‘new benefit’ earnings rate to FUTURE years after November 2021, while replacing our prior accrued investment earnings (on average 6% annually, owed above) with a minimum benefit interest rate that is less than 1% on average per year. Effectively, eliminating the Termination/Transfer/Refund obligations and calculations guaranteed in Article VI/VII of the Contracts prior to such change.

## Termination, Transfer, and Refund

terminate this Contract and receive a refund or reduced amount. The Board will determine the amount of any refund or reduced amount in accordance with the terms of this Contract. You may designate an Account Holder's Successor to take control of the Account in the event of the Account Holder's death. You may modify or terminate this Contract or request a refund without the consent or authorization of the Account Holder's Successor or the Beneficiary. In the event you are due overpayment on this Contract, upon written request, the Board will refund any overpayment. The Board will not, however, refund any amount in excess of such an overpayment.

The Board will terminate 10 years after your Beneficiary's year of program completion/Initial Eligibility plus the number of years purchased in the program. This time can be extended for any active service in the program. You may request a waiver to extend the time period allowed for termination. Any waiver request will be subject to the approval of the Board in its sole discretion. If time has expired on this Contract, Unused Benefits in your Account, and no waiver has been made, the Contract is terminated. If you have not claimed the Unused Benefits, the Benefits may be considered abandoned property and will revert to the State.

The Board will make the required payments or supply necessary information if the maximum period in which Benefits can be used has expired, or if it is determined that either you or the Beneficiary has made any misrepresentation related to the Contract, the Board in its sole discretion may terminate the Contract.

**Transfers to Other Eligible Programs.** Upon notification in writing to the Board, you may transfer your Account to another program intended to comply with Section 529 of the Internal Revenue Code. All transfers are subject to the Internal Revenue Code. If this Contract is less than 3 years old, the transferable amount will equal the contributions to the Prepaid College Trust plus or minus 75% of the Investment Earnings or losses realized on the contributions, less any administrative fees or Benefits used. If this Contract is over 3 years old, the transferable amount will equal the contributions to the Prepaid College Trust plus or minus 100% of the Investment Earnings or losses realized on the contributions, less any administrative fees or Benefits used.

**Transfers within the College Savings Plans of Maryland.** The transferable amount for transfers from the Prepaid College Trust to the Maryland College Investment Plan will equal the contributions to the Prepaid College Trust plus or minus 100% of the Investment Earnings or losses realized on the contributions, at the time the Account is transferred, regardless of how long the Contract has been in effect.

Refunds are only given at the written request of the Account Holder, with an original signature, for a specific year(s) under the following circumstances.

### Death or Disability of the Beneficiary.

**Enrolled at Eligible Institution.** The refund will be the amount that would have otherwise been paid directly to the Eligible Institution.

**Not Enrolled at Eligible Institution.** If the Beneficiary has finished high school, the refund will be equal to the Weighted Average

# MD Prepaid College Trust – Contract Disclosures

## ARTICLE VII (2004-2005 : Similar to 1998-2019)

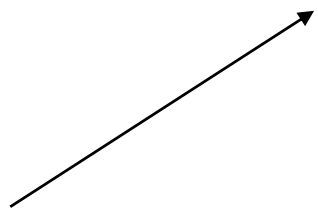
**Transfers to Other Eligible Programs.** Upon notification in writing to the Board, you may transfer your Account to another program intended to comply with Section 529 of the Internal Revenue Code. All transfers are subject to the Internal Revenue Code. If this Contract is less than 3 years old, the transferable amount will equal the contributions to the Prepaid College Trust plus or minus 75% of the Investment Earnings or losses realized on the contributions, less any administrative fees or Benefits used. If this Contract is over 3 years old, the transferable amount will equal the contributions to the Prepaid College Trust plus or minus 100% of the Investment Earnings or losses realized on the contributions, less any administrative fees or Benefits used.

**Transfers within the College Savings Plans of Maryland.** The transferable amount for transfers from the Prepaid College Trust to the Maryland College Investment Plan will equal the contributions to the Prepaid College Trust plus or minus 100% of the Investment Earnings or losses realized on the contributions, at the time the Account is transferred, regardless of how long the Contract has been in effect.

**Refund.** Refunds are only given at the written request of the Account Holder, with an original signature, for a specific year(s) under the following circumstances.

### Death or Disability of the Beneficiary.

1. **Beneficiary Enrolled at Eligible Institution.** The refund will be the amount that would have otherwise been paid directly to the Eligible Institution.



ation or reimburse you (with proof of payment), as appropriate.

#### **Termination, Transfer, and Refund Termination.**

designate an Account Holder's Successor to take control of the Account in the event of your death. However, only you can terminate this Contract and receive a refund or reduced refund. The Board will determine the amount of any refund or reduced refund pursuant to the terms of this Contract. You may modify or terminate this Contract or, upon written notice, request a refund or reduced refund without the consent or authorization of your Account Holder's Successor or the Beneficiary. In the event you are notified of overpayment on this Contract, the Board will refund any

amount. The Board will not, however, refund any earnings on such an account. The value of your Account will be updated only on dates on which the New York Stock Exchange is open for business.

This Contract will terminate 10 years after your Beneficiary's year of first enrollment/Initial Eligibility plus the number of years purchased in this Contract(s). This time can be extended for any active service in the U.S. You may request a waiver to extend the time period allowed to use the Account. Any waiver request will be subject to the approval of the Board, in its discretion. If time has expired on this Contract, Unused Benefits in your Account, and no waiver has been made, the Contract will be terminated. If you have not claimed the Unused Benefits within three years, the Benefits may be considered abandoned property and will, without claim by the Account Holder, revert to the State.

If you fail to make the required payments or supply necessary information, (b) the maximum period in which Benefits can be used has expired, or (c) it is determined that either you or the Beneficiary has made a material misrepresentation related to the Contract, the Board in its sole discretion may terminate the Contract.

**Transfers to Other Eligible Programs.** Upon notification in writing to the Board, you may transfer your Account to another program intended to comply with Section 529 of the Internal Revenue Code. If this Contract is less than 3 years old as measured from the first payment due date, the transferable amount will equal the contributions to the Prepaid College Trust plus or minus 75% of the Investment Earnings or losses realized on the contributions, less any administrative fees or Benefits used. If this Contract is over 3 years old as measured from the first payment due date, the transferable amount will equal the contributions to the Prepaid College Trust plus or minus 100% of the Investment Earnings or losses realized on the contributions, less any administrative fees or Benefits used. All transfers are subject to the Internal Revenue Code.

**Transfers within the College Savings Plans of Maryland.** The transferable amount for transfers from the Prepaid College Trust to the Maryland College Investment Plan will equal the contributions to the Prepaid College Trust plus or minus 100% of the Investment Earnings or losses realized on the contributions, at the time the Account is transferred, less any administrative fees or Benefits used, regardless of how long the Contract has been in effect.

**Refund.** Refunds are only given at your written request, with an original signature, for a specific semester(s) or year(s) under the following circumstances.

# MD Prepaid College Trust – Contract Disclosure

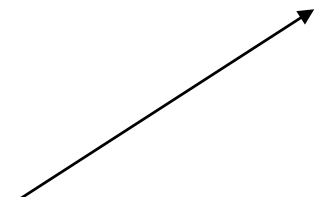
## ARTICLE VII (2010-2011 Contract) : Similar 1998-2011

discretion may terminate the Contract.

**Transfers to Other Eligible Programs.** Upon notification in writing to the Board, you may transfer your Account to another program intended to comply with Section 529 of the Internal Revenue Code. If this Contract is less than 3 years old as measured from the first payment due date, the transferable amount will equal the contributions to the Prepaid College Trust plus or minus 75% of the Investment Earnings or losses realized on the contributions, less any administrative fees or Benefits used. If this Contract is over 3 years old as measured from the first payment due date, the transferable amount will equal the contributions to the Prepaid College Trust plus or minus 100% of the Investment Earnings or losses realized on the contributions, less any administrative fees or Benefits used. All transfers are subject to the Internal Revenue Code.

**Transfers within the College Savings Plans of Maryland.** The transferable amount for transfers from the Prepaid College Trust to the Maryland College Investment Plan will equal the contributions to the Prepaid College Trust plus or minus 100% of the Investment Earnings or losses realized on the contributions, at the time the Account is transferred, less any administrative fees or Benefits used, regardless of how long the Contract has been in effect.

**Refund.** Refunds are only given at your written request, with an original signature, for a specific semester(s) or year(s) under the following circumstances.



## Rollovers and Refunds

**Generally.** Funds in a 529 account can be transferred from Qualified Tuition Programs for the same beneficiary. Such transfers are known as rollovers. Transfers to the same beneficiary are restricted to once per year. The Account Holder and/or the Qualified Beneficiary distributing assets to another program must receive the same beneficiary. The receiving program must provide an accurate allocation of earnings from the previous account; otherwise, the receiving program is required by the IRS to treat the contribution as earnings.

**Transfer to Another Qualified Tuition Program.** Transfers to another Qualified Tuition Program are subject to the same Contract Payments.

**Transfer to Another Qualified Tuition Program.** Upon written consent, you may transfer your Account to another Qualified Tuition Program. Based on IRS regulations, transfers to the same Beneficiary are restricted to one time per year.

**Contract in existence for less than three years measured from the first payment due date.** The transferable amount will equal the actual payments made to the Prepaid College Trust plus or minus 75% of the Trust Returns as applied to the contract payments, less Operating Expenses and any Benefits used.

**Contract in existence for three years or more as measured from the first payment due date.** The transferable amount will equal the actual payments made to the Prepaid College Trust plus or minus 100% of the Trust Returns applied to the contract payments, less Operating Expenses and any Benefits used.

**Transfers within Maryland 529.** The transferable amount for transfers from the Prepaid College Trust to the Maryland College Investment Plan will equal the actual payments made to the Prepaid College Trust plus or minus 100% of the Trust Returns applied to the contract payments, less Operating Expenses and any Benefits used, regardless of how long the Contract has been in effect.



# MD Prepaid College Trust – Contract Disclosures

## ARTICLE VI (2020-2021 CONTRACT) :

**A Contract in existence for three years or more as measured from the first payment due date.** The transferable amount will equal the actual payments made to the Prepaid College Trust plus or minus 100% of the Trust Returns applied to the contract payments, less Operating Expenses and any Benefits used.

**Transfers within Maryland 529.** The transferable amount for transfers from the Prepaid College Trust to the Maryland College Investment Plan will equal the actual payments made to the Prepaid College Trust plus or minus 100% of the Trust Returns applied to the contract payments, less Operating Expenses and any Benefits used, regardless of how long the Contract has been in effect.

“Trust Returns” measured from the inception of the Prepaid College Trust. The inception date is December 31, 1998 and the rate of return is the updated quarterly rate of return for the Prepaid College Trust investment advisor. Trust Returns are used to calculate Rollovers, Distributions and Refunds as described in Article VI of this Disclosure Statement.

## Rollovers and Refunds

Generally, Funds in a 529 account can be transferred from one Qualified Tuition Program for the same beneficiary. Rollovers are known as rollovers. Rollovers for the same beneficiary are restricted to once per 12-month period. The rollover program and/or the Qualified Tuition Program distributing the rollover must provide the receiving program with the allocation of principal and earnings from the rollover. Otherwise, the receiving program is required to treat the entire rollover contribution as earnings.

### Table for Rollovers and Refunds

#### Accounts in existence on October 31, 2021:

Accounts in existence on October 31, 2021, will earn 6% on balances in your Account prior to November 1, 2021. Interest on balances, compounded monthly, until withdrawn, or your Contract is terminated.

Accounts made on or after November 1, 2021 will earn 6% interest each year, compounded monthly, at a rate equal to the 10-year Treasury note rate. The Treasury note yield applicable to the Account contributions will be updated annually with the June 30th number.

## Earnings Attributable for Rollovers and Refunds

### Accounts in existence on October 31, 2021:

- For Accounts in existence on October 31, 2021, contributions in your Account prior to November 1, 2021 will earn 6% on balances, compounded monthly, until benefits are withdrawn, or your Contract is terminated.
- Contributions made on or after November 1, 2021 will accrue regular interest each year, compounded monthly, at a rate equal to the 10-year Treasury note rate. The Treasury note yield applicable to the Account contributions will be updated annually with the June 30th number.

The yield for the 10-year Treasury note will be sourced from the Board of Governors of the Federal Reserve System (US), 10-Year Treasury Constant Maturity Rate (DGS10), as retrieved from FRED, Federal Reserve Bank of St. Louis ([fred.stlouisfed.org/series/DGS10](https://fred.stlouisfed.org/series/DGS10)).

# MD Prepaid College Trust – Contract Disclosures

## ARTICLE VII (2021-2022 : New Language/Earnings)

### Accounts opened on or after November 1, 2021:

- Contributions to Accounts opened on or after November 1, 2021 will accrue regular interest each year, compounded monthly, at a rate equal to the 10-year Treasury note rate. The Treasury note yield applicable to the Account contributions will be updated annually with the June 30th number.

The yield for the 10-year Treasury note will be sourced from the Board of Governors of the Federal Reserve System (US), 10-Year Treasury Constant Maturity Rate (DGS10), as retrieved from FRED, Federal Reserve Bank of St. Louis ([fred.stlouisfed.org/series/DGS10](https://fred.stlouisfed.org/series/DGS10)).

#### Rollovers from Another Qualified Tuition Program.

As provided in Article IV, Contract Payments.

**Rollovers to Another Qualified Tuition Program.** Upon notification in writing, you may transfer your Account to another Qualified Tuition Program. Based on IRS regulations, rollovers for the same Beneficiary are restricted to one time in a 12-month period.

**A Contract in existence for less than three years as measured from the first payment due date.** The transferable amount will equal the actual payments made to the Prepaid College Trust plus 50% of the Earnings applied to the contract payments, less Operating Expenses, outstanding fees, and any Benefits used.

**A Contract in existence for three years or more as measured from the first payment due date.** The transferable amount will equal the actual payments made to the Prepaid College Trust plus 100% of the Earnings applied to the contract payments, less Operating Expenses, outstanding fees, and any Benefits used.

**Transfers within Maryland 529.** The transferable amount for transfers from the Prepaid College Trust to the Maryland College Investment Plan will equal the actual payments made to the Prepaid College Trust plus 100% of the Earnings applied to the contract payments, less Operating Expenses, outstanding fees, and any Benefits used, regardless of how long the Contract has been in effect.

**Rollovers to Another Qualified Tuition Program.** Upon notification in writing, you may transfer your Account to another Qualified Tuition Program. Based on IRS regulations, rollovers for the same Beneficiary are restricted to one time in a 12-month period.

- **A Contract in existence for less than three years as measured from the first payment due date.** The transferable amount will equal the actual payments made to the Prepaid College Trust plus 50% of the Earnings applied to the contract payments, less Operating Expenses, outstanding fees, and any Benefits used.
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- **Transfers within Maryland 529.** The transferable amount for transfers from the Prepaid College Trust to the Maryland College Investment Plan will equal the actual payments made to the Prepaid College Trust plus 100% of the Earnings applied to the contract payments, less Operating Expenses, outstanding fees, and any Benefits used, regardless of how long the Contract has been in effect.

**IMPORTANT NOTING: The RECALCULATION interest rate being applied to PRIOR years before 2021 is NOT found in the new contracts & NOT associated with Rollover/Refund language in old contracts. SO HOW ARE THEY USING IT??? PLEASE ASK THEM!**

# MD Prepaid Trust – Investment Earnings (by year)

So, how have OUR contributions invested by MPCT done in earnings?

2002 = 7.78%	2012 = 1.6%
2003 = 7.51%	2013 = 10.7%
2004 = 13.2%	2014 = 18.5%
2005 = 8.4%	2015 = 2.4%
2006 = 8.0%	2016 = (-0.7%)
2007 = 15.5%	2017 = 12.3%
2008 = (-5.8%)	2018 = 7.1%
2009 = (-20.4%)	2019 = 5.7%
2010 = 14.0%	2020 = 1.6%
2011 = 21.0%	2021 = 21.3%
	2022 = (-8.5%)

And WHAT % is the “recalculation” providing to policyholders?

**+/- 1%**

Prior to Article: Rollover/Refund Disclosure changes, each policy holder had the right to rollover or transfer: “All contributions made to MPCT plus or minus 100% of REALIZED earnings on those contributions”. Thousands of policy holders used that preferred benefit until earnings were frozen in April 2022. Based on this Article VI/VII of disclosure, the DEC 2021 statements are VERY CLOSE to accurate when using that calculation found in ALL our contracts from 1998-2019.

**Earnings Attributable for Rollovers and Refunds**

Accounts in existence on October 31, 2021:

- For Accounts in existence on October 31, 2021, contributions in your Account prior to November 1, 2021 will earn 6% on balances, compounded monthly, until benefits are withdrawn, or your Contract is terminated.
- Contributions made on or after November 1, 2021 will accrue regular interest each year, compounded monthly, at a rate equal to the 10-year Treasury note rate. The Treasury note yield applicable to the Account contributions will be updated annually with the June 30th number.

The yield for the 10-year Treasury note will be sourced from the Board of Governors of the Federal Reserve System (US), 10-Year Treasury Constant Maturity Rate (DGS10), as retrieved from FRED, Federal Reserve Bank of St. Louis ([fred.stlouisfed.org/series/DGS10](http://fred.stlouisfed.org/series/DGS10)).

**Rollovers to Another Qualified Tuition Program.** Upon notification in writing, you may transfer your Account to another Qualified Tuition Program. Based on IRS regulations, rollovers for the same Beneficiary are restricted to one time in a 12-month period.

- **A Contract in existence for less than three years as measured from the first payment due date.**  
The transferable amount will equal the actual payments made to the Prepaid College Trust plus 50% of the Earnings as applied to the contract payments, less Operating Expenses, outstanding fees, and any Benefits used.
- **A Contract in existence for three years or more as measured from the first payment due date.** The transferable amount will equal the actual payments made to the Prepaid College Trust plus 100% of the Earnings applied to the contract payments, less Operating Expenses, outstanding fees, and any Benefits used.
- **Transfers within Maryland 529.** The transferable amount for transfers from the Prepaid College Trust to the Maryland College Investment Plan will equal the actual payments made to the Prepaid College Trust plus 100% of the Earnings applied to the contract payments, less Operating Expenses, outstanding fees, and any Benefits used, regardless of how long the Contract has been in effect.

Ambiguous language as to IF the 6% applies to **PRIOR** and **FUTURE** years to offset Rollover calculation change and loss thereof IF not applied to PRIOR years. MD529 currently is interpreting and 'recalculating' this change **NOT** to apply to prior years causing HARM and over 90% Earnings Loss to Policy Holders cash value versus using the Original Rollover calculations in our Contracts. NOTE: There is NO OTHER earnings rate mentioned in contract, so HOW are they using 0-1% interest rate of old contracts to prior years??

Removal of **"Trust Return"** defined as since inception earnings return rate. **"100% Earnings Realized"** replaced with **"100% of Earnings Applied"**.

**MD529 Board CHANGES to Rollover Calculations and interpretation thereof beginning 2021/2022, adversely affecting MPCT obligations to ALL Participants:**

MCPT Disclosure Statement:

**Calculations.** We may develop other methods for the calculation of Benefits payable under Contracts if we determine that it is necessary to provide consistent Benefits. **No such changes may adversely alter the fundamental rights and obligations of the parties to this Contract**, except to the extent necessary to assure compliance with applicable state or federal laws or regulations or to preserve favorable tax treatment to you, your Beneficiary, Maryland 529, or the Prepaid College Trust.