Truist CollegeWealth®

Program Description & Account Agreement

January 1, 2025

OUR NEW NAME

Effective July 1, 2024, Virginia College Savings Plan℠ has a new name, Commonwealth Savers Plan℠ (CSP). The new name better represents the commitment to help improve the financial lives of our customers through affordable and accessible savings programs and financial education. While we complete our transition to our new name, you may still find usages of our former name, "Virginia College Savings Plan" or "Virginia529" still be used; for example, our website: www.virginia529.com.

IMPORTANT NOTICE

While CSP continues to administer the CollegeWealth program for existing customers who opened their accounts through Truist (formerly BB&T), the program itself is closed to new customers as of the second calendar quarter of 2017.

This Program Description, Account Agreement, Application and Privacy Policy does not constitute an offer to sell or the solicitation of an offer to buy interests in the CollegeWealth Program to any person in any jurisdiction or under any circumstances in which it would be unlawful.

No qualified tuition program established and maintained by CSP has been registered with or approved by the United States Securities and Exchange Commission or any state securities commission. Further, neither the Accounts nor this Program Description, Account Agreement, Application or Privacy Policy are subject to oversight by the Financial Industry Regulatory Authority (FINRA) or the Municipal Securities Rulemaking Board (MSRB).

There are potential adverse tax consequences and certain other risks associated with maintaining a CollegeWealth Account. Your balances in CollegeWealth are Federal Deposit Insurance Corporation (FDIC) insured up to applicable limits permitted by law.

Customers should obtain all program materials, including this Program Description, by calling 1-888-567-0540 or by visiting Virginia529.com, and read them carefully before making Contributions. You should keep the documents for future reference. Customers should seek the advice of a professional concerning any financial, tax or legal implications related to contributing to an account. **For non-Virginia residents: before investing, consider whether your or the Beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds and protections from creditors that are only available for assets contributed to that state's Qualified Tuition Program.**

The information contained in the Program Description is believed to be accurate as of the date of the Program Description and is subject to change without prior notice. Account Owners should rely only on the information contained in the Program Description. No one is authorized to provide information about CollegeWealth that is different from the information contained in the Program

Description. Please visit our website, Virginia529.com, for the most current Program Description. Third party websites referenced in this Program Description are not operated by CSP and CSP is not responsible for their content.

CSP cannot and does not provide legal, financial or tax advice and the following information should not be considered advice to Account Owners with respect to ownership of or transactions in a CSP account.

Internal Revenue Code (IRC) Section 529 Qualified Tuition Programs are intended to be used only to save for Qualified Higher Education Expenses. These Programs are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax adviser based on their own particular circumstances.

Investing is an important decision. Account Owners should periodically assess, and if appropriate, align their investment choices with their time horizon, risk tolerance and investment objectives in mind. The CollegeWealth program was designed for college savers. If you choose to participate to cover the cost of tuition expenses for elementary or secondary public, private or religious schools or qualified expenses for Registered Apprenticeship Programs you should keep in mind your savings horizon. Please read this document in its entirety before making a contribution.

Summary of Plan Features

The following summary directs you to more complete information in this Program Description**. You should read the entire Program Description before you make a Contribution to the CollegeWealth program.** Please see the Glossary of Terms for a definition of capitalized terms.

Program Administrator

- CSP is the administrator and sponsor of CollegeWealth.

Contact Information

- Mailing address: 9001 Arboretum Parkway, North Chesterfield, VA 23236
- Toll-free telephone: 1-888-567-0540
- Fax number: 1-866-757-1295
- Email: customerservice@virginia529.com
- Website: Virginia529.com
- Hours of operation: 8:30 a.m.-5:00 p.m., ET Monday-Friday (closed federal and most state holidays; please visit our website for specific closing information)

Account Information

- View Account information online through My Account at Virginia529.com. Account Owners may login into their Accounts online and change their logon and passwords online.

Account Owner/Agent

- You do not need to be a Virginia resident to participate in CollegeWealth as an Account Owner.
- Must be a U.S. citizen or legal U.S. resident to own an Account.
- An Account Owner must be at least age 18, and have a valid U.S. Social Security number or Taxpayer Identification Number.
- Certain personal information will be verified using a verification company. Verification may also require you provide copies of your Social Security card and driver's license.
- No joint ownership. Only one person may own an Account.

Account Control

- Only the Account Owner retains control over how, when and whether the money in an Account is used.
- You may withdraw (distribute) money anytime from the Account. However, Non-Qualified Distributions are subject to applicable taxes and penalties.

Beneficiary

- You do not need to be a Virginia resident to be the Beneficiary of a CollegeWealth Account.
- A Beneficiary may be any age and must be a U.S. citizen or legal U.S. resident with a valid U.S. Social Security number or Taxpayer Identification Number.
- Typically, the designated Beneficiary must have been born at the time they are named to the Account. An exception applies when the Account Owner is a State or local government or a tax-exempt organization described in section 501(c)(3) as part of a scholarship program operated by such government or organization under which beneficiaries to be named in the future will receive the interests as scholarships.
- The Account Owner can change the Beneficiary as long as the new Beneficiary is a Member of the Family of the prior Beneficiary.

Contributions and Account Balances

- Contributions can be made by anyone. Contributions from non-Account Owners will be deemed to have been made by the Account Owner for CSP record-keeping purposes and for the Virginia state income tax deduction.
- No minimum ongoing Contributions are required.
- Contributions can be made online to be automatically withdrawn from a checking or savings account; or made by check, wire transfer (except international wire transfers), payroll contribution, electronic bill pay, or Rollover.
- CSP will accept Contributions to an Account until the value of all CSP accounts for the same Beneficiary totals $550,000.

Rollover Contributions and Transfers

- Funds can be rolled over from Prepaid529[sm] or another state's 529 plan to CollegeWealth once every rolling 12 months for the same Beneficiary. Certain documentation is required for Rollover Contributions.

- Redemptions from Coverdell Education Savings Accounts (Coverdell ESAs), UTMA/UGMA assets, and redeemed U.S. Savings Bonds can be transferred to a CSP account at any time. Certain documentation is required for Coverdell ESAs and eligible redeemed U.S. Savings Bonds.

Distributions

- See page 22 / Distributions from an Account

529 to 529 & 529 to ABLE Rollover Distributions

- Funds can be rolled over from a CSP account to another state's 529 Qualified Tuition Program once every rolling 12 months for the same Beneficiary (QTP) or to a Qualified ABLE Program.
- Virginia taxpayers must recapture any previously claimed state income tax deduction for funds rolled over to another state's 529 plan.

529-to-Roth IRA Rollovers

- As of January 1, 2024, applicable law permits a tax-free reinvestment of a distribution from one Qualified Tuition Program to a Roth IRA account for the same designated Beneficiary subject to the conditions described in the "Transferring Funds: 529-to-Roth IRA Rollovers" section.

Qualified Distributions

- A Qualified Distribution is a distribution made for expenses treated as Qualified Higher Education Expenses under IRC Section 529 including: (i) Qualified Higher Education Expenses of the designated Beneficiary at an Eligible Educational Institution, (ii) fees, books, supplies and equipment required for the participation of a Beneficiary in a Registered Apprenticeship Program, (iii) up to $10,000 per year of tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school as determined under applicable state law, (iv) up to $10,000 in amounts paid as principal or interest on any Student Loan of the Beneficiary or a Sibling of the Beneficiary, or (v) a qualified rollover from an Account to another Qualified Tuition Program, a qualified ABLE Program, or (vi) beginning January 1, 2024, to a Roth IRA account for the same Beneficiary. The taxpayer is solely responsible for properly documenting expenses and determining whether a Distribution is a Qualified Distribution or Non-Qualified Distribution. CSP does not perform these duties for taxpayers.

Non-Qualified Distributions

- Earnings on all Distributions that are not used for Qualified Distributions will be subject to federal and state income tax and a federal tax of 10% of the earnings except in case of the Beneficiary's death, disability or receipt of scholarship.

Redeposit of Refunds

- A refund received from an EEI of any QHEEs, as that term is referenced in IRC Section 529, may be recontributed to an IRC Section 529 account tax-and penalty-free if recontributed within 60 days of the date of the refund. The IRC Section 529 account into which the qualifying refund is deposited must be for the same Beneficiary for which the original Distribution was taken and the refund deposited cannot exceed the refunded amount.

FDIC Option

- The CollegeWealth program established and maintained by Truist and CSP makes available to college savers a Truist Federal Deposit Insurance Company (FDIC) insured money market deposit account. This account platform earns interest and avoids investment market risk because it is a deposit account. Money market deposit accounts are subject to federal regulations that limit the total number of withdrawals by certain means including pre-authorized transfers to six per monthly statement cycle.

Fees and Other Charges

- CSP does not charge fees for annual maintenance, investment direction changes, Distributions, or transfers.

Administrative Fee

- CSP charges an Administrative Fee of 0.09%.

Other Fees

- CSP may charge a fee for account cancellation ($25), rollover to another qualified tuition plan ($25), changing the Account Owner ($10) (waived in the event of death of the Account Owner), expedited distribution ($50) and other fees as shown in the Other Fees Chart. Please also consult the participating bank pricing and fee guide.

Interest Rates

- Interest rates are determined by Truist.

Tax Advantages

- For mailed Contributions to be processed and included on the final statement of the calendar year, they must be received and deposited by CSP before close of business on the last Business Day of the year.
- Please visit Virginia529.com for detailed information on holiday operating times and online Contribution information.
- Federal Tax Benefits
- Earnings grow federal income tax-deferred while in a CollegeWealth Account and remain tax-free when used for QHEEs.
- No gift tax on Contributions up to $19,000 per person ($38,000 for married couples making a joint gift), or $95,000 ($190,000 for married couples making a joint gift) with a five-year averaging election.
- Other education tax incentives may be affected by a Distribution.

Virginia State Income Tax Benefits

- Earnings grow Virginia state income tax-deferred while in a CollegeWealth Account and remain tax-free when used for QHEEs.
- Account Owners who are Virginia taxpayers filing an individual income tax return may deduct their Contributions to each CSP account they own, up to $4,000 per account each year with unlimited carryforward.
- Account Owners who are at least 70 years of age may deduct their entire Contribution each year.
- Other states may offer residents and taxpayers additional tax or other benefits if they invest in their own state plan. Consult your tax adviser for more information.

Penalties for Non-Qualified Distributions

- Account Owners who take a Non-Qualified Distribution must report the earnings as income on their federal tax return in the year they receive the Distribution. Subject to certain exceptions, they must also report a 10% federal penalty on those earnings. Virginia taxpayers will need to recapture any deductions they have previously taken on the amount of the Non-Qualified Distribution unless it is made due to reason of the Beneficiary's death, disability or receipt of a scholarship.

Risk Factors

- For a complete discussion of risk factors associated with CollegeWealth, please see "Risk Considerations of Program Participation."

Privacy Policy

- CSP respects your right to privacy and recognizes its obligation to keep your information secure and confidential. Please see "CSP Privacy Policy".

Sources of Additional Information

- These organizations provide additional information about IRC Section 529 plans:
    - Internal Revenue Service (IRS) at irs.gov or 1-800-829-1040.
    - Department of Education (DOE) at ed.gov. DOE Office of Federal Student Aid at StudentAid.gov or 1-800-433-3243. Contact the Department of Education for information on completing the Free Application for Federal Student Aid (FAFSA) or finding a Federal School Code for an Eligible Educational Institution.
    - Department of Public Debt at treasurydirect.gov. Contact the Department of Public Debt for information on the U.S. Savings Bond education program.
    - Virginia Department of Taxation at tax.virginia.gov or 804-367-8031. Contact the Department of Taxation for information on the Virginia state tax deduction, exemption, or recapture.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.

Contents

Our New Name 2
Important Notice 2
Summary of Plan Features 3
CollegeWealth Program Description 8
Glossary Of Terms 10
CollegeWealth General Information 15
The Commonwealth Savers Plan (CSP) 15
No New Accounts 16
Contributing to an Account 17
Verification of Identity/Banking Information 18
Changes To An Account 18
Transferring Funds 20
Distributions from an Account 22
Cancellations 24
Risk Considerations of Program Participation 25
Virginia and Federal Tax Considerations 29
Account Reporting 34
CollegeWealth Account Agreement 34
Invest529 Privacy Policy 36

CollegeWealth Program Description

As of January 1, 2025, this Program Description contains important information you should review about participating in the CollegeWealth program sponsored by CSP. Please read it carefully and keep it for future reference. Account Owners should rely only on the information contained in this Program Description and the participating bank's applicable agreements and terms and conditions. No one is authorized to provide information that is different from information contained in this Program Description. If you speak with a participating bank employee, please be advised that CSP is not responsible for any miscommunication of facts concerning the CollegeWealth program during such conversations. The information in this Program Description is believed to be accurate as of the date of issuance and is subject to change without notice. **Please see the Glossary of Terms within this Program Description for the definitions of many capitalized terms; other terms may be defined in the sections of this Program Description in which they are first used.**

CollegeWealth Accounts offer Federal Deposit Insurance Corporation (FDIC) insurance to the maximum amount allowed by law and the same tax advantages as other CSP qualified tuition programs. By statute, CollegeWealth Accounts ("CollegeWealth Accounts" or "Accounts") are not deposits or obligations of, or insured or guaranteed by, CSP, the Commonwealth of Virginia or any agency or instrumentality thereof. Neither the Board of CSP nor the Commonwealth of Virginia has a legal or moral obligation to insure the payout of any or all of the amount of any CollegeWealth Account balance, or guarantees there will be any particular return, with respect to any Account. In the event the CollegeWealth program terminates so that CSP no longer offers it, CSP and the participating bank have the option of moving all CollegeWealth assets to a substitute program. If the CollegeWealth program terminates, you may have the option to maintain your funds at the participating bank, but the Account may no longer qualify as an IRC Section 529 account. If this occurs, you may be required to pay a federal penalty of 10% of the earnings in the Account as this would be considered a Non-Qualified Distribution. You may also have the option of transferring your funds to another IRC Section 529 option that may or may not provide FDIC insurance. Such a transfer may require the Account Owner to use one or more of his or her twice-per-calendar-year investment direction changes. You may also withdraw your funds. If the withdrawal is a Non-Qualified Distribution (used for something other than Qualified Higher Education Expenses), you will incur the 10% federal penalty on the earnings in the Account unless one of the limited exceptions apply. There is no guarantee that IRC Section 529 bank products such as CollegeWealth Accounts will continue to be available through CSP.

CSP cannot provide legal, financial or tax advice to Account Owners.

CollegeWealth is designed and is administered to comply with all requirements for treatment as a Qualified Tuition Program (QTP) under Section 529 of the Internal Revenue Code of 1986, as amended (26 U.S.C. Section 529). As of the date of this Program Description, the Internal Revenue Service (IRS) has not issued final regulations concerning the application of Section 529 to QTPs. Final regulations, changes to the IRC or changes to the Code of Virginia or state or federal court decisions could affect the tax consequences of participation in a QTP like CollegeWealth. Such changes could be retroactive. The Board of CSP may modify CollegeWealth as necessary in the future to comply with any such changes in order to preserve, if possible, favorable tax treatment.

In addition to CollegeWealth, CSP administers Prepaid529®, a prepaid tuition program; Invest529℠, a college savings program offered directly through CSP, and CollegeAmerica®, a college savings program featuring the American Funds® mutual fund portfolios, offered exclusively through authorized brokers and financial advisors. CSP also administers ABLEnow®, a program for individuals with certain disabilities and RetirePath Virginia℠, a program for certain private sector Virginia employees who do not have access to a retirement plan at work. CSP continues to administer the Prepaid529 program, however, it closed to new customers in 2019. Prepaid529, Invest529, CollegeAmerica, ABLEnow and RetirePath Virginia are not described in this Program Description. For more information about Prepaid529 or Invest529, please call CSP customer service or visit Virginia529.com. Please visit ABLEnow.com and RetirePathVA.com for more information on ABLEnow and RetirePath Virginia, respectively. For information on CollegeAmerica, please contact your financial advisor or visit the American Funds website at AmericanFunds.com/529 or call 1-800-421-0180, ext. 529.

The Virginia individual income tax deduction for Contributions to CollegeWealth is available only to Virginia taxpayers who are Account Owners. **For non-Virginia residents: before contributing, consider whether your or the Beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds and protections from creditors that are only available for monies in that state's Qualified Tuition Program.**

Please consult your financial or tax adviser for further information.

CollegeAmerica, CollegeWealth and ABLEnow are registered trademarks of CSP. Prepaid529, Invest529, CSP, RetirePath and Commonwealth Savers Plan are registered service marks of the Commonwealth Savers Program.

Glossary Of Terms

"Account" means the separate CollegeWealth Account set up by each Account Owner for a separate Beneficiary.

"Account Owner" defined as "Contributor" in Section 23.1-700 of the Code of Virginia (1950), as amended, means a person who is at least eighteen (18) years of age and is either a U.S. citizen or a legal U.S. resident and who is reflected on the participating bank's records as the owner of record of the Account. Please note that no trusts, corporations, partnerships, nonprofit organizations, custodians, guardians, or other entities may open CollegeWealth Accounts. There may only be one Account Owner per Account. Any person or entity may make Contributions to a CollegeWealth Account, but only the Account Owner may execute all other CollegeWealth Account transactions, including Rollovers, transfers, cancellations, Distributions, or refund requests. All Contributions are deemed to come from the Account Owner for all tax reporting and other administrative purposes. Individuals or entities who are not Account Owners have not established a customer relationship with the participating bank or CSP and have no legal rights with regard to a CollegeWealth Account. Any requests to change the Account Owner must be signed by both the current Account Owner (or the current Account Owner's personal representative if appropriate documentation has been submitted to and acknowledged by CSP) and the new designated Account Owner.

"Agreement" means the agreement between the Account Owner and CSP. It includes this Program Description, as amended from time to time, including the CollegeWealth Account Agreement set forth below, as amended from time to time by CSP, the Account Application, as amended from time to time, and the CSP Privacy Policy. "Agreement" also includes a signed Account Owner Change Form, which incorporates the Program Description. Please note that in addition to the Agreement described within this definition, a CollegeWealth Account is also governed by an agreement with the participating bank.

"Application" means the form (whether hard copy or online) completed by the Account Owner and submitted to open a CollegeWealth Account for a designated Beneficiary prior to the CollegeWealth program being closed to new accounts.

"Beneficiary" means an individual who is named as the designated Beneficiary on the Application as provided for in this Program Description, and who is entitled to receive the benefits from a CollegeWealth Account. A Beneficiary must be either a U.S. citizen or a legal U.S. resident. A Beneficiary must have been born at the time the Beneficiary is named. An Account Owner may change the Beneficiary of an Account at any time by completing a Beneficiary Change form as provided for in this Program Description.

"Board" means the Board of CSP.

"Business Day" is any day on which CSP is open for carrying on substantially all of its functions and excludes Saturdays, Sundays, and federal and state holidays. Distributions may not be withdrawn on normal Business Days that CSP is open but the New York Stock Exchange (NYSE) is closed.

"Contributions" are funds contributed to an Account for the benefit of a designated Beneficiary and intended to pay for the designated Beneficiary's Qualified Higher Education Expenses (QHEEs). Contributions must be in the form of cash, not property or securities.

"Designated Survivor" means the person who will assume Account ownership in the event of the Account Owner's death. The Designated Survivor may be named by the Account Owner on the Application or by the Account Owner sending CSP a written and signed notification. At the time they are named as such, Designated Survivors must be eligible to become Account Owners pursuant to the terms of this Agreement. The Designated Survivor does not have any control over or access to information about the CollegeWealth Account until and unless they become the Account Owner.

"Eligible Educational Institution" (EEI) follows the definition of that term in IRC Section 529. Generally, the term includes accredited post-secondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential. Certain proprietary institutions and post-secondary vocational institutions are also Eligible Educational Institutions. The institution must be eligible to participate in a student financial aid program under Title IV of the Higher Education Act of 1965 (20 U.S.C. Section 1088). A complete list of such institutions can be found at StudentAid.gov. Elementary and secondary public, private or religious schools are not considered Eligible Educational Institutions.

"K-12 School" means an elementary or secondary public, private or religious school as determined under applicable state law.

"Member of the Family" under IRC Section 529 is an individual who is related to the designated Beneficiary as follows: a son or daughter, or a descendant of either; a stepson or stepdaughter; a brother, sister, stepbrother, or stepsister; the father or mother, or an ancestor of either; a stepfather or stepmother; a son or daughter of a brother or sister; a brother or sister of the father or mother; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; the spouse of the Beneficiary or the spouse of any individual described above; or a first cousin of the Beneficiary. For purposes of determining who is a Member of the Family, a legally adopted child of an individual is treated as the child of such individual by blood. The terms "brother" and "sister" include half-brothers and half-sisters.

"Non-Qualified Distribution" means a distribution from a CollegeWealth Account made for any reason other than for: (i) the properly documented Qualified Higher Education Expenses of the Beneficiary or (ii) a qualified Rollover to another Qualified Tuition Program, Qualified ABLE Program, or beginning January 1, 2024, a qualified rollover to a Roth IRA for the same beneficiary subject to certain conditions. Non-Qualified Withdrawals will be subject to federal income tax on the earnings and Virginia state income tax on the earnings for Virginia taxpayers, as well as a federal penalty of 10% of the earnings unless an exception applies and is required to be reported on the taxpayer's federal tax return. Non-Qualified Distributions may require the recapture of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to a CollegeWealth Account. CSP does not determine whether a distribution is Qualified or Non-Qualified. Non-Qualified Distributions due to a Beneficiary's death, disability or receipt of a scholarship (including attendance at a U.S. military academy) will not be subject to the 10% federal penalty on earnings. Scholarship distributions are limited to the amount of the scholarship. The taxpayer is solely responsible for properly documenting expenses and determining whether a distribution is a Qualified Distribution or Non-Qualified Distribution. CSP does not perform these duties for taxpayers.

"Pending Settlement Period" means, for all Distributions, the period of time between when a request for distribution is received and the amount to be distributed is actually withdrawn from the CollegeWealth Account. Distribution requests in good standing received and processed by CSP by the close of business each day will generally be withdrawn from the CollegeWealth Account within three Business Days. CSP, at its sole discretion, may modify this settlement schedule without prior notice.

"Program Agreement" means the agreement entered into by and among CSP, the participating bank, and an Account Owner establishing a CollegeWealth Account. The Program Agreement includes the Agreement, as defined in this Program Description, and the participating bank's Services Agreement, as also defined in this Program Description.

"Qualified Distribution" means a distribution made for expenses treated as Qualified Higher Education Expenses (QHEE) under IRC Section 529 including: (i) Qualified Higher Education Expenses of the designated Beneficiary at an Eligible Educational Institution, (ii) fees, books, supplies and equipment required for the participation of a Beneficiary in a Registered Apprenticeship Program, (iii) up to $10,000 per year of tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school as determined under applicable state law, (iv) up to $10,000 in amounts paid as principal or interest on any Student Loan of the Beneficiary or a Sibling of the Beneficiary, or (v) a qualified rollover from an Account to another

Qualified Tuition Program, a qualified ABLE Program, or as of January 1, 2024, to a Roth IRA account for the same Beneficiary. The taxpayer is solely responsible for properly documenting expenses and determining whether a distribution is a Qualified Distribution or Non-Qualified Distribution. CSP does not perform these duties for taxpayers.

"Qualified Higher Education Expenses" (QHEE) means the expenses allowed under IRC Section 529. Generally, these include the following: (i) tuition, all mandatory fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution; (ii) expenses for special needs services in the case of a special needs Beneficiary which are incurred in connection with such enrollment or attendance; (iii) computers, peripheral equipment, software, and internet service and related services as long as the computer, peripheral equipment, software and internet services and related services are primarily used by the Beneficiary during any of the years the Beneficiary is attending an Eligible Educational Institution, however; computer software designed for sports, games or hobbies are not considered Qualified Higher Education Expenses unless they are predominately educational in nature; and (iv) the costs of room and board of a Beneficiary during any academic period during which the Beneficiary is enrolled at least half-time in a degree, certificate, or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution. The allowable amount of room and board expenses for students living on campus is the actual amount invoiced by the Eligible Educational Institution. For students who live off campus or at home, the allowable amount for room and board expenses is the applicable room and board amount for that period used by the Eligible Educational Institution in determining its cost of attendance. A student will be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing as determined under the standards of the institution where the student is enrolled. The institution's standard for a full-time workload must equal or exceed the standard established by the Department of Education under the Higher Education Act and set forth in 34 Code of Federal Regulations Section 674.2(a).

Generally, an Eligible Educational Institution is any college, university, vocational school, graduate or professional school, or other postsecondary educational institution eligible to participate in a student aid program administered by the Department of Education. Qualified Distributions may be applied at certain foreign institutions of higher education on a case-by-case basis. Please contact the higher education institution or check the Department of Education web site at StudentAid.gov for specific information or to determine if the institution is an Eligible Educational Institution. Elementary and secondary public, private or religious schools are not considered Eligible Educational Institutions. IRC Section 529 extends favorable "Qualified Higher Education Expenses" treatment to distributions for (i) fees, books, supplies and equipment required for the participation of a Beneficiary in a Registered Apprenticeship Program, (ii) up to $10,000 per taxable year of tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school as determined under applicable state law, and (iii) up to $10,000 in amounts paid as principal or interest on any Student Loan (a qualified education loan, as that term is defined in Section 221(d) of the IRC) of the designated Beneficiary or a Sibling of the designated Beneficiary. A Sibling for purposes of qualified Student Loan repayments means a brother, sister, stepbrother, or stepsister of the designated Beneficiary.

The $10,000 limitation for both public, private, or religious schools and Student Loan repayments applies on a per student basis, rather than a per-account basis. Although an individual may be the designated Beneficiary of multiple accounts (or a Sibling of a Beneficiary in the case of Student Loan repayments) that individual may receive a maximum of $10,000 in distributions without federal tax consequences, regardless of whether the funds are withdrawn from a single or multiple accounts. As of the date of this Program Description, the IRS has not issued final regulations and guidance on IRC Section 529, including the recent tax law changes. If, and when, material updates become available the web site at Virginia529.com and this Program Description will be updated. Please consult with your tax advisor for more information.

"Qualified Tuition Program" (QTP) as defined by IRC Section 529(b)(1) means a program established and maintained by a state or agency or instrumentality thereof or by one or more Eligible Educational Institutions under which a person may make Contributions to an account which is established for the purpose of meeting the Qualified Higher Education Expenses of the designated Beneficiary of the account. CSP currently sponsors four programs, which are Invest529, Prepaid529, CollegeWealth and CollegeAmerica; however, only Invest529 and CollegeAmerica are open to new Accounts.

"Registered Apprenticeship Program" means an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act.

"Rollover" is a tax-free reinvestment of a distribution from one Qualified Tuition Program to another Qualified Tuition Program or a Qualified ABLE Program, including ABLEnow℠ or ABLEAmerica®, Virginia's Qualified ABLE Programs. Once funds are withdrawn there is a sixty (60) day time frame in which those funds must be deposited into the new Qualified Tuition Program. Between Qualified Tuition Programs, Federal law allows only one Rollover for the same Beneficiary during a rolling twelve (12) month period. NOTE: Requests to move funds among Invest529 or CollegeAmerica Accounts are not considered Rollovers. A request to move funds from a CollegeWealth account to an Invest529 or CollegeAmerica account is also not considered a Rollover. Please see the section titled "Changing Investment Options."

"529-to-Roth IRA Rollover" as of January 1, 2024, is a tax-free reinvestment of a distribution from one Qualified Tuition Program to a Roth IRA account for the same designated Beneficiary subject to the conditions described in the "Transferring Funds: 529-to-Roth IRA Rollovers" section.

"Services Agreement" means the participating bank's primary agreement that is applicable to the CollegeWealth Account (in the case of Truist, this document is entitled "BB&T CollegeWealth 529 Savings Agreement").F The Services Agreement also includes any additional terms and conditions relating to CollegeWealth that may be communicated by the participating bank to the Account Owner during the Application process or at any time thereafter, as any of the foregoing may be amended from time to time.

"Sibling" is for the purposes of Student Loan repayments, a brother, sister, stepbrother, or stepsister of the designated Beneficiary.

"Student Loan" means a qualified education loan, as that term is defined in Section 221(d) of the IRC).

CollegeWealth General Information

This Program Description provides details concerning the CollegeWealth Qualified Tuition Program established and maintained by CSP, an independent agency of the Commonwealth of Virginia, authorized by Chapter 7 of Title 23.1 of the Code of Virginia (1950), as amended (Sections 23.1-700 through 23.1-713). The application for, purchase, and ownership of a CollegeWealth Account are governed by the terms of the Program Agreement, CSP's enabling legislation, IRC Section 529, and any applicable rules and regulations.

The Commonwealth Savers Plan (CSP)

The Virginia General Assembly created CSP at its 1994 session. CSP's enabling legislation is codified at Sections 23.1-700 through 23.1-713 of the Code of Virginia. In its 1999 session, the General Assembly unanimously passed legislation authorizing CSP's Board to create one or more savings trust investment options in conformance with the provisions of IRC Section 529. CSP is a special, non-reverting fund, and its enabling legislation provides that its money cannot be used by the Commonwealth of Virginia for any other purpose. The General Assembly may amend CSP's legislation during any regular or special session of the legislature, subject to the Governor's approval or veto, and the General Assembly's ability to override any veto.

CSP is administered by an 11-member Board, consisting of the Director of the State Council of Higher Education for Virginia or his designee; the Chancellor of the Virginia Community College System or his designee; the State Treasurer or his designee; and the State Comptroller or his designee; and seven citizen members: four to be appointed by the Governor, one to be appointed by the Senate Committee on Rules, and two to be appointed by the Speaker of the House of Delegates. State law mandates that the seven citizen members have significant experience in finance, accounting, law, or investment management. Members of the Board receive no compensation, but are reimbursed for actual expenses incurred in the performance of their duties. CSP's Chief Executive Officer is Mary G. Morris. Ms. Morris, a former tax, securities and bond attorney, as well as a former Treasurer of Virginia and Senior Assistant Attorney General, oversees the daily administration and operations of CSP.

Contributions to CollegeWealth Accounts are deposited in an account with the participating bank. Separate records are maintained for each CollegeWealth Account.

CSP is required to submit an annual statement of the receipts, disbursements, and current investments for the preceding year to the Governor of the Commonwealth of Virginia, the Senate Committee on Finance, and the House Committees on Appropriations and Finance. The report includes a complete operating and financial statement covering the operation of CSP during the year. The Virginia Auditor of Public Accounts, or his legally authorized representative, audits CSP's accounts annually. CSP is also subject to oversight from the Joint Legislative Audit and Review Commission (JLARC).

No New Accounts

CSP Continues to Administer Accounts. While CSP continues to administer the CollegeWealth program for existing customers who opened their accounts through the participating bank, the program itself is closed to new customers as of the second calendar quarter of 2017. Consequently, no accounts can be opened under the program.

Identity Verification. We will send certain personal information you have provided to an identity verification company to deter fraud. We may also ask additional questions or ask you to provide copies of your Social Security card and driver's license to verify your identity.

Designating a Beneficiary. An Account must have a Beneficiary, who may be anyone, including yourself, who is a U.S. citizen or legal U.S. resident and was born prior to the opening of the Account. You will need to provide CSP with the Beneficiary's full name, Social Security/tax identification number, and date of birth.

Designating a Survivor. An Account must name a Designated Survivor, who is an individual or entity who becomes the Account Owner in the event of your death. Individuals designated must be at least 18 years old at the time of designation. Account Owners may change this designation at any time by submitting a written request to CSP. Custodial Accounts under the Uniform Transfers to Minors/Uniform Gifts to Minors statutes shall name the Beneficiary's estate as the Designated Survivor. Accounts owned by trusts, corporations or other entities do not need a Designated Survivor, but should provide a successor trustee or other contact.

If an Account does not have a valid Designated Survivor at the time of the Account Owner's death, CSP reserves the right to close the account, open an Invest529 account, and designate the current Beneficiary of the Account as the new Owner. If the current Beneficiary is under the age of 18, CSP may designate the deceased Account Owner's executor or administrator, if any, as the custodian under the appropriate Uniform Transfers to Minors/Uniform Gifts to Minors statute for the current Beneficiary until the current Beneficiary reaches the age of 18. If no executor or administrator was named or appointed, CSP, in its sole discretion, may designate a parent or other third party as the custodian.

Uniform Transfers to Minors Act (UTMA)/Uniform Gifts to Minors Act (UGMA) Accounts. Depending on the applicable state law, you may be able to fund an Account with existing Uniform Transfers to Minors Act (UTMA) or Uniform Gifts to Minors Act (UGMA) funds, although these types of accounts involve additional restrictions that do not apply to non-custodial Accounts. Individuals rolling over funds from an UTMA/UGMA account with another Qualified Tuition Program to CSP must transfer all such funds into an UTMA/UGMA account with CSP for the same Beneficiary. CSP is not liable for any consequences related to a custodian's improper use, transfer, or characterization of custodial funds. CSP must be notified when the custodianship terminates. CSP will need to receive adequate documentation to confirm the termination of the custodianship. Please contact a legal or tax professional to determine how to transfer existing UTMA or UGMA funds, and what the implications of such a transfer may be for your specific situation. See "Virginia and Federal Tax Considerations" section for information regarding potential tax consequences. Please consult your legal, financial or tax adviser for more information.

Custodial Account Restrictions include but are not limited to the following:

- Tax consequences and benefits belong to the Beneficiary
- Inability to change the Beneficiary
- Designated Survivor must be the Estate of the Beneficiary
- Non-custodial funds contributed to the custodial Account are irrevocable gifts to the minor and become custodial funds

Contributing to an Account

Any individual or entity may contribute funds to an Account at any time, but only the Account Owner will have control over the Contributions. All Contributions to an Account are deemed to come from the Account Owner for record-keeping purposes and for the Virginia state income tax deduction. Non-Account Owners have not established a customer relationship with CSP and CSP has no obligation to provide non-Account Owners with any continuing disclosures, Account statements or required notices.

Form of Contributions. All Contributions must be in cash, check, money order, electronic transfer, or similar instrument in U.S. dollar denominations. CSP cannot accept securities or other property. Other Contribution requirements are set by the participating bank. Contributions may be made through the participating bank's branches, online banking or call center.

Maximum Account Balances. The Maximum Account Balance, which is the combined total balance of all accounts for a single Beneficiary in all CSP programs (which includes CollegeWealth, Invest529, Prepaid529 and CollegeAmerica), is limited to $550,000. Multiple accounts for the same Beneficiary will be combined for purposes of determining whether the Maximum Account Balance has been reached. Once the aggregate balance on all CSP accounts for the same Beneficiary reaches $550,000 (including any earnings), earnings will continue to accrue but CSP will not accept additional Contributions or Rollovers unless the aggregate value drops below the Maximum Account Balance. This Maximum Account Balance may be periodically recalculated at CSP's sole discretion. Contribution of the Maximum Account Balance does not guarantee that the Account balance will be adequate to cover the Qualified Higher Education Expenses (QHEEs) of a particular Beneficiary.

Pending Settlement Period. All CollegeWealth Accounts will be subject to a Pending Settlement Period, which is the period of time between when a request for distribution is received and the amount to be distributed is actually withdrawn from the CollegeWealth Account. Distribution requests in good standing received and processed by CSP by close of business each day will generally be withdrawn from the CollegeWealth Account within three Business Days of receipt (or the next Business Day after the third Business Day in the event of a holiday or if CSP is closed). **CSP, at its sole discretion, may modify this settlement schedule without prior notice.** Please refer to our website, Virginia529.com, for modifications to the Pending Settlement Period.

Verification of Identity/Banking Information

CSP partners with an identity verification company, operating as a Consumer Reporting Agency under the Fair Credit Reporting Act (FCRA), to perform account validation services using certain personal and/or banking information provided to CSP. To verify the identity and/or bank account information provided, CSP may ask additional questions and/or may request additional information and documentation including, but not limited to, copies of bank statements and other identifying documentation like a Social Security card and valid government-issued photo identification. If CSP is unable to verify the identity or bank account information provided, the bank account will be deactivated for the purposes of transacting business with CSP. The agency will provide the bank account owner with an adverse action notice with next steps in the validation process.

Instructions: CSP may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by an Account Owner or an authorized legal representative and may assume that the authority of any other authorized person continues in effect until receipt of written notice to the contrary has been received.

Changes To An Account

Changing the Beneficiary. The Account Owner may change the Beneficiary of a CollegeWealth Account at any time. To change the Beneficiary, the Account Owner must complete a Beneficiary Change Form (available from CSP) indicating the relationship of the new Beneficiary to the prior Beneficiary. CSP may deny or limit a Beneficiary change if it causes the cumulative value of all the accounts administered by CSP (including CollegeWealth, Invest529, Prepaid529 and CollegeAmerica accounts) for the new Beneficiary to exceed the Maximum Account Balance limit or if the change will result in more than one CollegeWealth Account with the same Account Owner and Beneficiary.

A change of Beneficiary is a non-taxable event for federal income tax purposes if the new Beneficiary is a Member of the Family of the prior Beneficiary. If the new Beneficiary is a Member of the Family of the prior Beneficiary and is in the same generation as the prior Beneficiary, the change is not subject to federal gift tax or generation-skipping transfer tax. If the new Beneficiary is in a lower generation than the prior Beneficiary, the transfer will be subject to federal gift tax and may be subject to generation-skipping transfer taxation even if the new Beneficiary is a Member of the Family of the prior Beneficiary. Please contact a tax professional for specific information on these provisions and how they may affect you.

Changing the Account Owner. A change of Account Owners requires the opening of a new Account if the Account Owner wishes to transfer the ownership of a CollegeWealth Account to another individual or entity. No consideration may be given or accepted for the transfer. However, as the CollegeWealth program is currently closed to new Accounts, a request to change the ownership of a CollegeWealth Account will prompt CSP to initiate a Rollover of the CollegeWealth Account to an Invest529 account and the funds will automatically be deposited in the Invest529 FDIC-insured portfolio. Once the Rollover has been completed, the Account Owner may transfer ownership of the Account to a new Account Owner.

After the transfer to the Invest529 FDIC-insured portfolio is completed, an Account Owner who wants to transfer the Account to another individual or entity, must submit an Account Owner Transfer Form to CSP. Once ownership is transferred, the previous Account Owner loses all control over the Account, which includes but is not limited to, the power to change the designated Beneficiary, change the investment direction, direct Rollovers, and cancel the Account. All transfers shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529 and any regulations promulgated thereunder. If there has been a Distribution on the Account, CSP will open a new Account to accomplish an Account Owner change if funds have been previously aggregated. The transfer of Account ownership to another individual may have tax consequences. Please contact a tax professional to determine the effect of any such transfer on your individual situation.

Changing Investment Options. Transfers among CollegeWealth, Invest529 and CollegeAmerica are considered investment changes under Section 529. The Account Owner may change the investment options in which the Account is invested only twice per calendar year for the same Beneficiary. Additionally, the investment option may be changed whenever the Beneficiary of the Account is changed. For purposes of the investment change rule, all CSP savings accounts, which include CollegeWealth, Invest529 and CollegeAmerica, owned by the Account Owner for the same Beneficiary will be aggregated. This means that only two investment option change requests will be accepted per calendar year for all the accounts for the same Beneficiary owned by the same Account Owner. An investment option change request can be for one or more of the individual accounts the Account Owner holds for the same Beneficiary so long as requests for the multiple accounts are submitted at the same time. If an Account Owner owns multiple accounts for a specific Beneficiary and wishes to change the investments in some or all of those accounts, submitting the investment direction change for each of those accounts at the same time is deemed to be only one investment direction change. Once a second investment change is made, any future subsequent investment change in any account owned by the Account Owner for the same Beneficiary in CollegeWealth, Invest529 or CollegeAmerica within the same calendar year may be treated as a Non-Qualified Distribution for tax purposes.

In order to change your investment option, you must complete a Move Funds or Change Investment Portfolio Form. Only the Account Owner can request an investment change. Investment change requests in good standing received and processed by CSP will be withdrawn from the CollegeWealth Account by the third Business Day (or the next Business Day after the third Business Day in the event of a holiday or if CSP is closed).

Changing an Address. Account Owners can change their address by contacting the participating bank and following the participating bank's procedures for, among other things, identity verification.

Changing a Name. Account Owners can initiate name changes and/or Social Security number changes in the event of marriage, divorce, or other legitimate legal reasons by contacting the participating bank and following the participating bank's procedures for, among other things, identity verification.

Transferring Funds

Rollovers. CollegeWealth will accept Rollovers from other Qualified Tuition Programs (QTPs) into an existing CollegeWealth Account. You will need to provide appropriate documentation that shows the basis and earnings portion of the Rollover. **If such documentation is not provided within 60 days of receiving the Rollover Contribution, the entire Rollover will be treated as earnings which may have tax consequences.** Please note that if you withdraw funds from a QTP with the intention of contributing these funds to a CollegeWealth Account, you must do so within 60 days of the initial Distribution in order to retain the tax-free treatment of the Rollover.

An Account Owner may roll over all or part of a CollegeWealth Account to another state's QTP (or to an existing Prepaid529 account) provided that a Rollover has not been processed in the previous 12 months for the same Beneficiary, or to a Qualified ABLE Program (including ABLEnow, Virginia's qualified ABLE program). CSP will provide to the new program manager or administrator a statement providing the earnings portion of the Rollover. Rollovers of Accounts to another QTP or a Qualified ABLE Program may be made any time the Beneficiary is changed to a Member of the Family of the prior Beneficiary. Rollover Distributions that meet IRS requirements are not subject to the 10% federal penalty and any earnings are not includible in federal adjusted gross income. Rollover Distribution information will be reported on IRS Form 1099-Q.

To request a Rollover to a non-Virginia QTP or non-Virginia Qualified ABLE Program, the Account Owner must contact CSP and also contact the new account administrator to determine what documentation is required to process the Rollover. All Rollover Distributions issued to a non-Virginia QTP shall be issued in a lump sum directly to the designated QTP within 60 days from the date of the Rollover request. All Rollovers from a CollegeWealth account shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529 and any regulations promulgated pursuant thereto. A Rollover to a non-Virginia QTP or non-Virginia ABLE Program will require the Account Owner to add back to his or her Virginia taxable income any amounts previously deducted from the Account Owner's Virginia taxable income as a result of CollegeWealth Contributions. Please consult a tax adviser for information specific to your individual situation.

529-to-Roth IRA Rollovers. As of January 1, 2024, an Account Owner may also rollover amounts in an Account to a Roth IRA—subject to certain conditions (a "529-to-Roth IRA Rollover"). The conditions include, but are not limited to, the following: (i) The Account must have been maintained for the 15-

year period ending on the date of the 529-to-Roth IRA Rollover; (ii) The 529-to-Roth IRA Rollover must be made in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of the same beneficiary (not the Account Owner – if different); (iii) Each year, the 529-to-Roth IRA Rollover will be subject to annual IRA contribution limits. In addition, such rollovers may not exceed the amount of compensation the designated Beneficiary earned during the year; (iv) The amount of the 529-to-Roth IRA Rollover may not exceed the aggregate amount contributed to the Account (and earnings attributable thereto) before the 5-year period ending on the date of such rollover; (v) The aggregate amount of 529-to-Roth IRA Rollovers for the same designated Beneficiary may not exceed $35,000; and (vi) Roth IRA income limitations are waived for 529-to-Roth IRA Rollovers. The information presented in this Program Disclosure Statement on 529-to-Roth IRAs Rollovers is based on a good faith interpretation of federal legislation enacted in December, 2022. The U.S. Treasury Department and IRS may issue interpretative guidance in the future which may affect the tax treatment of 529-to-Roth IRA Rollovers. Your financial institution or the IRA Custodian may impose other terms and conditions on 529-to-Roth IRA Rollovers. Please consult with your tax advisor regarding the applicability of 529-to-Roth IRA Rollovers to your personal situation.

Coverdell Education Savings Accounts. CSP will accept Contributions of funds from a Coverdell Education Savings Account (Coverdell ESA). If you are funding your Account with funds from a Coverdell ESA, you must provide the breakdown of the amount you contributed (basis) and the amount of earnings (gains). The transfer is considered a nontaxable withdrawal from the Coverdell ESA. You will need to complete a Coverdell/U.S. Savings Bond Transfer Form and an Account Application, and provide appropriate documentation from the trustee or custodian of the Coverdell ESA that shows the earnings portion of the transfer, such as an account statement showing basis and earnings (or losses) in the account. If such documentation is not provided to CSP within 60 days of receiving the Contribution, the entire transfer will be treated as earnings, which may have tax consequences. Please consult the IRS (1-800-829-1040) or your legal, financial or tax adviser for more information.

Qualified U.S. Savings Bonds. CSP will accept Contributions of funds from qualified U.S. Savings Bonds. If you are funding your Account with funds from certain Series EE or I U.S. Savings Bonds you must provide the breakdown of the amount you contributed (basis) and the amount of interest earnings (gains). You will need to complete a Coverdell/U.S. Savings Bond Transfer Form and an Account Application, and provide appropriate documentation issued by the financial institution that redeemed the bonds showing basis and earnings of the bond(s), such as a statement, a Form 1099-INT, or an IRS Form 8815. **If such documentation is not provided within 60 days of receiving the Contribution, the entire transfer will be treated as earnings, which may have tax consequences.** Please ensure that you redeem the bonds in the same calendar year that you fund the CollegeWealth Account. Please contact the Bureau of Public Debt at **Treasurydirect.gov** for eligibility criteria and income phase outs for the Savings Bond Education Tax Exclusion, or the IRS at 1-800-829-1040. Please see “Sources of Additional Information” in the Summary of Plan Features for contact information. Please also consult your legal, financial or tax adviser for more information.

Transfers. Account Owners can transfer money to their CollegeWealth Account from another institution's deposit account, or from another account at the participating bank, through several convenient channels. Transfers can be made by contacting the participating bank's branch, call center or online banking. Account Owners can also use online banking to set up a monthly automatic recurring transfer.

Distributions from an Account

For tax reporting purposes the IRS considers Distributions to be either a Qualified Distribution or a Non-Qualified Distribution, each of which is described in the Glossary of Terms. Qualified Distributions may be used at any Eligible Education Institution (EEI), K-12 School, for Student Loan repayments, or for certain expenses required for participation in a Registered Apprenticeship Program, as defined in the Glossary of Terms. Generally, EEI's include any accredited two- or four-year college or university in the United States that is eligible to participate in federal student financial aid programs, as well as certain accredited private career or technical schools that are eligible to participate in federal student financial aid programs. Distributions may also be applied toward Qualified Higher Education Expenses (QHEEs) at graduate and professional schools which are EEIs. CollegeWealth Distributions may be applied at certain foreign institutions of higher education on a case-by-case basis. Please contact us toll-free at 1-888-567-0540 for specific information on using CollegeWealth distributions at foreign schools. Qualified Distributions at K-12 schools may only be used for tuition expenses. In order to be a Qualified Distribution, a repayment of a student loan must meet the conditions of Section 221(d) of the IRC.

CSP will make requested Distributions upon receipt of a signed Distribution Request Form. Neither CSP nor the participating bank is responsible for any late fees imposed by EEIs, K-12 Schools, or Student Loan providers, nor is CollegeWealth responsible for payment of any QHEEs that exceed the current balance of a CollegeWealth Account at the time a Distribution is requested or made. All CollegeWealth Distributions will be made subject to the Pending Settlement Period as described in the Glossary of Terms.

Other than to verify identity, Account Owners are generally not required to provide any documentation to support a Distribution request.

Appropriate documentation of expenses (copies of invoices, meal plan contracts or textbook receipts, for example) must be maintained for income tax purposes. Consult a tax adviser regarding specific documentation requirements.

Note: The taxpayer is solely responsible for determining whether a distribution is a Qualified Distribution or a Non-Qualified Distribution. CSP will issue an IRS Form 1099-Q (Qualified Tuition Program Payments) reflecting the earnings amount for tax purposes. The taxpayer is solely responsible for any necessary tax reporting. Please consult your legal, financial or tax adviser for more information.

Qualified Distributions. Qualified Distributions are Distributions made for expenses treated as Qualified Higher Education Expenses under Section 529 as described in the Glossary of Terms. A Qualified Distribution is also commonly referred to as a qualified withdrawal.
As of the date of this Program Description, the IRS has not issued final regulations and guidance on Section 529, including the recent tax law changes. If, and when, material updates become available we will update the website at Virginia529.com and this Program Description Please consult with your tax advisor for more information.

Non-Qualified Distributions. Non-Qualified Distributions are Distributions for any purpose other than QHEEs or for a qualified Rollover to another QTP or Qualified ABLE Program. Earnings on Non-Qualified Distributions will be subject to federal income tax, as well as a federal penalty of 10% of the earnings. CSP will not withhold taxes or penalties due on a Non-Qualified Distribution. The taxpayer is responsible for reporting taxes and penalties due on the taxpayer's federal and state tax returns. CSP does not perform these duties for the taxpayer. For Account Owners who pay Virginia income taxes, earnings on Non-Qualified Distributions are reportable on state tax returns and any deductions taken in previous years related to Contributions may need to be recaptured. Account Owners who do not pay Virginia income tax should check with their state tax department to determine the treatment of Non-Qualified Distributions. A Non-Qualified Distribution is also commonly referred to as a non-qualified withdrawal.

Non-Qualified Distributions resulting from the Beneficiary's death, disability or receipt of a scholarship (including attendance at a United States military academy) will be subject to federal income tax on the earnings, but will not be subject to the 10% federal penalty on earnings and, for Virginia taxpayers, will not be subject to Virginia income tax. Penalty-free scholarship Distributions are capped at the amount of the scholarship received. Attendance at United States military academies will be treated as receipt of a scholarship for distribution purposes. Account Owners should retain proof of death, disability or receipt of scholarship for their records. CSP and/or the participating bank also may require any documentation necessary in order to establish compliance with IRC Section 529 or other applicable laws and any regulations promulgated thereunder.

Rollover Distributions. An Account Owner may roll over all or part of an Account to another state's Qualified Tuition Program (QTP) provided that a Rollover has not been processed in the previous 12 months for the same Beneficiary, or to a Qualified ABLE Program (including ABLEnow, Virginia's qualified ABLE program). CSP will provide to the new program manager or administrator a statement providing the earnings portion of the Rollover. Rollovers of Accounts to another QTP or a Qualified ABLE Program may be made any time the Beneficiary is changed to a Member of the Family of the prior Beneficiary. Rollover Distributions that meet IRS requirements are not subject to the 10% federal penalty and any earnings are not includible in federal adjusted gross income. Rollover Distribution information will be reported on IRS Form 1099-Q.

To request a Rollover to a non-Virginia QTP, non-Virginia Qualified ABLE Program or a 529-to-Roth IRA Rollover, the Account Owner must contact CSP and also contact the new account administrator to determine what documentation is required to process the Rollover. All Rollover Distributions issued to a non-Virginia QTP shall be issued in a lump sum directly to the designated QTP within 60 days from the date of the Rollover request. All Rollovers from a CollegeWealth account shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529 and any regulations promulgated pursuant thereto.

A Rollover to a non-Virginia QTP or non-Virginia ABLE Program will require the Account Owner to add back to his or her Virginia taxable income any amounts previously deducted from the Account Owner's Virginia taxable income as a result of CollegeWealth Contributions. Please consult a tax adviser for information specific to your individual situation.

Some Refunds Can Be Redeposited Into a 529 Account Tax- and Penalty-Free. A refund received from an EEI of any QHEEs paid for by a Distribution may be recontributed to an IRC Section 529 account tax-free and penalty-free if recontributed within 60 days of the date of the refund. The IRC Section 529 account into which the qualifying refund is deposited must be for the same Beneficiary for which the original distribution was taken and the refund deposited cannot exceed the refunded amount. If you decide to deposit a qualifying refund, please complete the Redeposit Request Form available online at Virginia529.com/resources/forms.

Cancellations. Only the Account Owner may cancel a CollegeWealth Account and receive a refund of the Account balance. In order to cancel a CollegeWealth Account and receive a refund, the Account Owner must provide a written request specifying the Account Owner's name, the Beneficiary's name, the CollegeWealth Account number, and any additional supporting documentation as may be required by CSP or the participating bank. The amount of a refund in the event of a cancellation is the Account balance on the day the funds are withdrawn, subject to any penalties which may be imposed by the participating bank, if applicable. See the "Virginia and Federal Tax Considerations" section for information regarding potential tax consequences of Non-Qualified Distributions.

All Distributions, cancellations and refunds shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529, and any regulations promulgated pursuant thereto.

Limits on Account Duration. Account Owners have at least 30 years in which to use their CollegeWealth Account. For an Account established before the respective Beneficiary has graduated from high school, the Account Owner has 30 years after the projected date of high school graduation as stated on the Account Application to use all funds from their CollegeWealth Account. For Accounts established after the respective Beneficiary has graduated from high school, the Account Owner has at least 30 years after the date the Account was opened to use all funds from their Account. CSP may, in its sole judgment and discretion, extend this time period should the Account Owner request it beginning in the 29th year after the projected high school graduation of the Beneficiary or after Account opening, whichever is later.
CSP will use information provided in the Application, or subsequent Beneficiary Change Form in the event the original Beneficiary was changed, to determine the projected date of high school graduation. Any time spent by a Beneficiary as an active-duty member of any branch of the United

States Armed Forces will not be counted toward the 30-year period. Title 10 United States Code Section 101(a) defines the United States Armed Forces as Army, Navy, Air Force, Marine Corps, and Coast Guard. Written notification should be submitted to CSP showing the complete length of time the Beneficiary was on active duty.

If, after the 30-year period specified above, an Account has a remaining balance, no extension has been requested and CSP cannot locate the Account Owner, the Beneficiary or any Designated Survivor within the requisite time period, CSP shall report the unclaimed amounts to the State Treasurer as unclaimed property, pursuant to Section 55-210.12 of the Code of Virginia (1950), as amended. The value of any such Account reported as unclaimed property and remaining unclaimed for an additional five years shall be the then-current Account balance less any applicable administrative fees.

Risk Considerations of Program Participation

CollegeWealth is designed to facilitate tax-advantaged savings for the Qualified Higher Education Expenses (QHEEs) of a Beneficiary. However, as with most savings vehicles, there are various risks associated with CollegeWealth. This section describes some of the principal risks associated with the CollegeWealth program, but it does not constitute an exhaustive list of the factors you should consider before making Contributions to an Account. An Account Owner may wish to consult a financial or tax adviser before opening a CollegeWealth Account.

Terms and Conditions. CSP or the participating bank may change the terms and conditions of CollegeWealth at any time or from time to time.

Program Description. You should carefully read and understand this Program Description and all related documents from the participating bank before making Contributions to CollegeWealth and you should keep these documents for future reference. The information contained in this Program Description is believed to be accurate as of the date of the Program Description and is subject to change without prior notice. Account Owners should rely only on the information contained in this Program Description. No one is authorized to provide information about CollegeWealth that is different from the information contained in this Program Description.

CSP cannot provide legal, financial or tax advice concerning individual decisions to make Contributions, Distributions, or changes to a CollegeWealth account.

No Guarantees. CollegeWealth Accounts offered in conjunction with a participating bank offer Federal Deposit Insurance Corporation (FDIC) insurance to the maximum amount allowed by law. CollegeWealth Accounts are not deposits or obligations of, or insured or guaranteed by, CSP, the Commonwealth of Virginia or any other agency or instrumentality. No act or undertaking of the Board is a debt or a pledge of the full faith and credit of the Commonwealth or any political subdivision of the Commonwealth, and all such acts and undertakings are payable solely from the Plan.

Changes to or Termination of CollegeWealth Program. CSP reserves the right to make changes to its program offerings at any time. CSP is not required by law to continue its program offerings, to accept additional Contributions to existing Accounts, among other changes, although CSP currently has no plans for any such limitations. In the event the CollegeWealth program terminates, CSP and the participating bank have the option of moving all CollegeWealth assets to another FDIC-insured deposit product or a substitute product. If the CollegeWealth program terminates, you may also have the option to maintain your funds at the participating bank, but the Account may no longer qualify as an IRC Section 529 account. If this occurs, you may be required to pay a federal penalty of 10% of the earnings in the Account, as this would be considered a Non-Qualified Distribution. You may also have the option of transferring your funds to another IRC Section 529 investment option that may or may not provide FDIC insurance. Such a transfer may require the Account Owner to use one or more of his or her twice-per-calendar-year investment changes. You may also withdraw your funds. If the withdrawal is a Non-Qualified Distribution (used for something other than QHEEs), you will incur the 10% federal penalty unless one of the limited exceptions apply. There is no guarantee that 529 bank products such as CollegeWealth Accounts will continue to be available through CSP.

No Guarantee of Admission to Any Institution and Related Matters. Having a CollegeWealth Account does not guarantee that: (1) a Beneficiary will be admitted to any institution of higher education, elementary or secondary school, or any Registered Apprenticeship Program; (2) a Beneficiary will be allowed to continue enrollment at any such institution, school or program after admission; or (3) a Beneficiary will graduate from any such institution, school, or program. Additionally, a CSP Account does not establish residency for the purpose of obtaining Virginia in-state tuition benefits, which include in-state tuition rates for public institutions or the Virginia Tuition Assistance Grant for private institutions.

- **No Guarantee of Meeting Expenses.** Even if an Account balance for a Beneficiary reaches the Maximum Account Balance allowed in CollegeWealth, there is no assurance that the value of the Account will be sufficient to cover all expenses a Beneficiary may incur in connection with an EEI, K-12, Student Loans, or a Registered Apprenticeship Program. In addition, the rate of inflation for such expenses is uncertain and could exceed the rate of return on an Account. CSP is not responsible for paying any expenses that exceed the balance of a CollegeWealth Account when a Distribution is requested.

Impact on Financial Aid and Scholarship Awards. Accounts may affect a Beneficiary's ability to qualify for need-based financial aid and the amount of need-based financial aid they may be eligible to receive from Eligible Educational Institutions (EEIs).

For financial aid programs offered by the U.S. government, the Department of Education takes into account a variety of factors when determining need-based financial aid eligibility. The value of IRC Section 529 Account(s) owned by either the dependent student or that student's parents is included in value of the parents' assets for dependent students. For independent students, the value of IRC Section 529 Account(s) owned by the student is included in the student's assets. An IRC Section 529 Account owned by someone other than the student and/or their parents may affect financial aid eligibility differently.

The impact to financial aid programs offered by individual EEIs and other non-federal sources varies depending on each institution's calculation method, which may vary from the Department of Education's calculation. Certain private colleges and universities use a different financial aid form and do not use the Free Application for Federal Student Aid (FAFSA). Consequently, the individual institutions will need to be consulted regarding their eligibility criteria.

For Virginia residents, a CSP Account does not impact the eligibility of receiving the Virginia Tuition Assistance Grant if the student attends an eligible Virginia private college or university.

For more information on the impact of Qualified Tuition Programs (QTPs) on federal financial aid eligibility, please contact the U.S. Department of Education's office of Federal Student Aid at 1-800-433-3243 or go to StudentAid.gov. You may also wish to contact a college or university financial aid office regarding your individual financial aid circumstances.

Accounts should not affect a student's eligibility for merit-based scholarships. If a student receives a full or partial athletic scholarship that is governed by National Collegiate Athletic Association (NCAA) or conference regulations, a payment from an Account may affect that scholarship. **Please note that this is only summary information and is not intended to be advice.** Additionally, the treatment of assets in an IRC Section 529 Account by federal and non-federal financial aid programs is subject to change at any time. Please contact financial aid providers to learn of any recent changes to their respective programs. You should contact the financial aid office of your local community college, college or university for more information on the effect of a CollegeWealth Account on financial aid determinations.

As of the date of this latest version of the CollegeWealth Program Description, it is unclear whether Accounts could affect a Beneficiary's ability to qualify for need-based financial aid and the amount of need-based financial aid they may be eligible to receive from an elementary or secondary public, private or religious school or participation in a Registered Apprenticeship Program.

Eligibility for Medicaid or other Benefits. A CollegeWealth Account may adversely affect an Account Owner and/or Beneficiary's eligibility for federal and state assistance programs, such as Medicaid. The treatment of assets in an IRC Section 529 Account is subject to change at any time. Please consult the agency or entity that administers the specific benefit program for additional information.

Limits on Account Duration. All CollegeWealth Accounts are limited in the amount of time they can be open before the value must be distributed.

Changes in Fees. CollegeWealth fees, expenses and charges assessed by CSP are subject to change, and new fees, expenses and charges may be imposed in the future without prior notice to Account Owners. Please visit Virginia529.com for any changes to CollegeWealth fees. Please contact the participating bank for information regarding their fees, expenses and charges.

Changing Legal Regulations. There is no assurance that the current state and/or federal laws and regulations will remain the same. It is possible that the U.S. Congress, the Treasury Department, the IRS, the Commonwealth of Virginia, and other taxing authorities or the courts may take actions that will adversely affect CollegeWealth and that such adverse effects may be retroactive. The Treasury Department has issued proposed regulations under IRC Section 529, an advance notice of proposed rulemaking describing new proposed regulations that may be issued under IRC Section 529 and, in conjunction with the IRS, has published certain notices with respect to the anticipated modification of the proposed regulations. Until such time that final regulations are issued, taxpayers may continue to rely on the proposed regulations and notices until further action is taken by the Treasury. The advance notice indicates that proposed rulemaking in the future may include rules relating to the tax treatment of Contributions to and participants in QTPs, as well a general anti-abuse rule that will apply when accounts are established or used for purposes of avoiding transfer tax or for other purposes inconsistent with IRC Section 529. If and when issued, such regulations or any published ruling may alter the tax consequences summarized in this Program Description, may require that changes be made to CollegeWealth to achieve the tax benefits described or may have a significant effect on CollegeWealth and your Account. Possible legislative action could diminish or even terminate CollegeWealth's tax advantages. CSP is not obligated to continue to offer CollegeWealth in the event that a change in the tax or other federal or state law makes continued operation not in the best interests of Account Owners or Beneficiaries. There can be no assurance that a change will not adversely affect CollegeWealth and/or the value of your investment in an Account.

Claims Against Accounts. Title 11 U.S.C. §541(b)(6) of the United States Bankruptcy Code provides protection in federal bankruptcy proceedings for IRC Section 529 accounts if the designated Beneficiary is the bankruptcy debtor's child, stepchild, grandchild, or step-grandchild subject to the following limits:

- Contributions made to an Account for the same designated Beneficiary at least two years prior to the filing of the bankruptcy petition are generally protected; and
- Contributions made to an Account for the same designated Beneficiary more than 365 days but less than 720 days before a federal bankruptcy filing are protected up to an amount set by statute which changes periodically ($7,575 as of the date of publication); and
- Contributions made to an Account for the same designated Beneficiary less than 365 days before a federal bankruptcy filing are typically not protected against creditor claims in federal bankruptcy proceedings.

Additionally, under Virginia law and depending on the specific circumstances, Accounts are protected from creditors of either the Account Owner or the Beneficiary.

Finally, federal law provides that your Account cannot be used as collateral for a loan.

You should consult a legal adviser about the application of these laws to your particular situation.

Penalties for using CollegeWealth Funds for Non-Qualified Higher Education Expenses. Once the funds have been contributed to your CollegeWealth Account, there are limited circumstances in which they can be withdrawn without federal and state tax consequences. Please see the "Virginia and Federal Tax Considerations" section for specific information on penalties.

Limited Investment Direction. An Account Owner may make an investment change twice per calendar year or upon a change in the designated Beneficiary of the Account, per applicable law and regulation.

Limited Liquidity. Contributing funds to a CollegeWealth Account reduces the ability to readily access those funds (their liquidity). Once the funds have been contributed to the Account, there are limited circumstances in which they can be distributed without negative tax consequences. Additionally, under certain circumstances, CSP imposes a waiting period prior to distributing funds from an Account in order to deter fraud.

Cyber Risks. Failures or breaches of the electronic systems of CSP, Truist or other parties that provide services to CollegeWealth have the ability to cause disruptions and negatively impact CSP's operations, potentially resulting in financial losses to CollegeWealth and its Account Owners. While CSP has established business continuity plans and risk management systems seeking to address system breaches or failures (including plans and systems reasonably designed to protect Account Owner, Beneficiary, and other personally identifiable information where applicable) there are inherent limitations in such plans.

Events Beyond the Reasonable Control of CSP. Circumstances beyond the reasonable control of CSP or its service providers, including but not limited to, general economic conditions, embargoes, suspensions of trading, strikes, lockouts or other labor disturbances, disruptions of supply chains, cyber-attacks, power or other mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays in or stoppages of transportation, acts of governments (including regulatory or legislative changes), worldwide political uncertainties, acts of civil or military authority, war or acts of war (whether war is declared or not), terrorism, threats of terrorism, insurrections, riots, civil unrest, revolutions, acts of God, accidents, environmental disasters, natural disasters or events, fires, floods, volcanoes, tornadoes, earthquakes, hurricanes, explosions, lightning, public health crises (such as epidemics and pandemics), and quarantines.

Other Considerations. An investment in CollegeWealth - or any QTP - may not be the appropriate investment vehicle for everyone. You should evaluate other savings or investment vehicles and consult with your tax or financial adviser.

Virginia and Federal Tax Considerations

Tax provisions related to IRC Section 529 plans are complex and each taxpayer's situation is unique. Please contact a tax professional or the Internal Revenue Service (IRS) at 1-800-829-1040 or irs.gov, and/or the Virginia Department of Taxation at 804-367-8031 or tax.virginia.gov for specific information on these provisions and how they may affect you. Other states may offer residents and taxpayers additional tax or other benefits, such as financial aid, scholarship funds, and protection from creditors, if they invest in their own state plan. Consult your tax adviser for more information.

Federal Tax Treatment in General. IRC Section 529 governs the federal tax treatment of QTPs such as CollegeWealth and the tax consequences for Account Owners and Beneficiaries of such plans. As of the date of this Program Description, the IRS had not issued final regulations governing the application of IRC Section 529 to QTPs. On January 18, 2008, the IRS issued an Advance Notice of Proposed Rulemaking on proposed regulations for IRC Section 529 plans. There is no specific timetable for the release of new or re-proposed IRC Section 529 regulations. Any changes will likely be applicable to existing accounts. The IRS highlighted its intention to impose a broad anti-abuse rule that would apply to the use of IRC Section 529 accounts for tax avoidance or other improper uses. CollegeWealth has been structured to meet all current federal requirements, and, therefore, CSP itself is exempt from certain types of income tax. **Please check with a tax professional for specific information on these provisions and how they may affect you. Final regulations, changes to the Internal Revenue Code or to the Code of Virginia, or court decisions could affect the tax consequences of participation in a QTP, including, but not limited to, additional restrictions or loss of tax advantages. CSP may modify CollegeWealth as necessary in the future without prior notice to comply with any such changes and to preserve, if possible, favorable tax treatment.**

The increase in the value of a CollegeWealth Account (the earnings) is tax-deferred, and is not taxable at the federal level if the Distribution is used for Qualified Higher Education Expenses (QHEEs). The earnings portion of Non-Qualified Distributions will be taxed as ordinary income in the year of the refund, reported on the taxpayer's federal tax return. Non-Qualified Distributions made for a reason other than the Beneficiary's death, disability or receipt of a scholarship (including attendance at a United States military academy) will be subject to an additional federal penalty of 10% of the earnings, reported on the taxpayer's federal tax return. Any refund of QHEEs from Eligible Educational Institutions (EEIs) may not be taxable at the federal level if the refunded amount is recontributed to a QTP which has the same Beneficiary and is made not later than 60 days after the date of the refund. Non-Qualified Distributions may also require the recapture in Virginia taxable income of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to a CollegeWealth Account. There is no Virginia state income tax liability for the federally taxable portion of a refund made in the event of the Beneficiary's death, disability, or receipt of a scholarship (including attendance at a United States military academy). CSP will apply a formula to determine the potentially taxable earnings/gains and non-taxable Contributions/basis portions of each Distribution made from an Account. The taxable portion is ordinary income, not capital gains. The taxable portion of a cancellation or other Non-Qualified Distribution will be taxed as ordinary income in the year of the Distribution. The taxable (earnings/gains) portion of Non-Qualified Distributions is subject to a 10% federal penalty. CollegeWealth Contributions are NOT deductible from federal taxable income at the time of contribution. The increase in the Account's value is tax deferred at the federal level, and Distributions used for QHEEs are not taxed at the federal level. Please consult the IRS (1-800-829-1040) or your legal, financial or tax adviser for further information.

Changes to Federal Estate and Gift Tax Provisions. The 2010 Tax Relief Act made significant changes to the federal estate, gift, and generation-skipping transfer (GST) taxes. The American Taxpayer Relief Act of 2012 (ATRA) made permanent the exemption levels set by those federal estate, gift, and GST tax provisions, and raised the applicable tax rate permanently for amounts over the exemption limits from 35% to 40%. The law also makes permanent "portability" which allows a surviving spouse the right to use the unused portion of a deceased spouse's exemption. The Tax Cuts and Jobs Act of 2017 doubled the exemption amount, subject to indexing for inflation from the base year (2011). For an estate of any decedent dying in calendar year 2025, the basic exclusion amount is $13.99 million (a combined $27.98 million for a married couple). Unless Congress acts, the basic exclusion amount will drop back to $5 million adjusted annually for inflation beginning in 2026. Please consult your tax adviser or the IRS (1-800-829-1040) regarding the specific application of these rules to your particular circumstances.

Federal Gift Tax. IRC Section 529 provides that CollegeWealth Contributions are a completed gift of a present interest for federal gift tax purposes. Contributions to QTPs like CollegeWealth are not excluded from taxable gifts as tuition payments under IRC Section 2503(e). IRC Section 529 provides a five-year averaging provision for any Contributions in one taxable year that are greater than the current (2025) $19,000 ($38,000 for married couples making a joint gift) annual exclusion from federal gift and GST tax. This means that if total Contributions and other gifts by any one Account Owner or other individual to a single Beneficiary in a calendar year are greater than $19,000 ($38,000 for married couples making a joint gift), the Account Owner or other individual contributing the funds may elect to average the total amount of the Contributions over a five-year period. This would allow Contributions of the maximum gift amount in 2025 of up to $95,000 ($190,000 for married couples making a joint gift) in one tax year without federal gift tax consequences. An Account Owner or other individual who makes a Contribution or other gift of the maximum gift amount of $95,000 ($190,000 for married couples making a joint gift), may not make additional gifts to the same Beneficiary until the end of the five-year averaging period without incurring federal gift tax consequences.

IRC Section 529, as amended, also provides that Distributions from a QTP will not be treated as a taxable gift, except if it is transferred or rolled over in certain circumstances. For example, if a CollegeWealth Account is rolled over to a new Beneficiary who is a Member of the Family of the previous Beneficiary and who is in the same generation as the previous Beneficiary, no federal gift or GST tax will apply. If, however, the new Beneficiary is in a lower generation than the previous designated Beneficiary, federal gift tax or GST tax may apply to the amount transferred. The five-year averaging rule may be applied to changes of Beneficiary that are subject to federal gift tax. If an Account Owner transfers ownership of an Account to another individual or entity, that transfer may be deemed a gift which could trigger federal gift tax on any amount greater than $19,000 ($38,000 for married couples making a joint gift). Please consult the IRS (1-800-829-1040) or your legal, financial or tax adviser for further information.

Federal Estate Tax. Generally, no amount is includible in the Account Owner's gross estate as a result of Contributions to a QTP. If, however, the Account Owner has elected five-year averaging and dies before the end of the five-year averaging period discussed above, the Account Owner's gross estate will include the portion of the Contributions allocable to periods following the Account Owner's death. IRC Section 529 also provides that the gross estate of a designated Beneficiary of a QTP such as CollegeWealth includes amounts distributed from a QTP on account of the Beneficiary's death. Please contact a tax professional or the IRS (1-800-829-1040) to determine the effect of federal gift and estate tax provisions on your individual situation.

Federal Generation-Skipping Transfer Tax. In addition to possible federal gift and estate tax consequences, the federal generation-skipping transfer tax may apply to Contributions made to an Account if the Beneficiary is deemed to be a member of a generation that is more than one generation younger than the generation of the Account Owner or other individual contributing to the Account, or if the new Beneficiary is more than one generation below that of the previous Beneficiary. Contributions that qualify for the annual gift tax exclusion are not subject to Generation-Skipping Transfer tax. The federal Generation-Skipping Transfer tax exemption for a given year is equal to the exemption amount for federal estate tax purposes. Consult your tax adviser or the IRS (1-800-829-1040) regarding the specific application of these rules to your particular circumstances.

Virginia Tax Exemption. The Virginia General Assembly enacted a tax exemption at its 1999 session for income attributable to certain Distributions or refunds from a CollegeWealth Account. The Virginia state income tax exemption applies to income attributable to CollegeWealth Distributions used for QHEEs of a Beneficiary or refunds in the event of a Beneficiary's death, disability, or receipt of a scholarship, including attendance at a United States military academy. Because earnings on IRC Section 529 account Qualified Distributions are excluded from federal adjusted gross income, these earnings are also automatically excluded from Virginia taxable income. The Virginia state income tax exemption is still applicable to Distributions made due to the Beneficiary's death, disability or receipt of a scholarship. The earnings portion of any amount refunded in one of these cases is subject to federal income tax in the tax year in which the refund is received, but is exempt from Virginia state income tax.

Virginia Tax Deduction. CollegeWealth Account Owners who file a Virginia state individual income tax return can deduct CollegeWealth Contributions from their Virginia taxable income. The deduction is limited to $4,000 per taxable year per CSP account (each separate account held within CollegeWealth, Invest529, Prepaid529, and CollegeAmerica), or the amount contributed to each CSP account during the year, whichever is less, with unlimited carryforward until the full amount of the Contributions has been deducted. **Please note that certain Virginia Tax Commissioner rulings have stated that Account Owners must fully claim the deduction in the years in which they are eligible to claim the deduction and any carryover must be claimed in successive years.** The $4,000 per taxable year limit does not apply to Account Owners who are age 70 or above, who may deduct the entire amount of their Contributions in a single tax year. If an Account is cancelled for a reason other than the student's death, disability, receipt of a scholarship (including attendance at a United States military academy), or Rollover to another CSP account, any amount of the refund previously deducted from the Account Owner's Virginia taxable income as a result of Contributions to the cancelled CollegeWealth Account must be added back to the Account Owner's Virginia taxable income in the year the refund is received, in addition to any federal tax consequences. The Virginia Department of Taxation has not yet commented on how a Rollover from an Account to a Virginia

ABLEnow account or a 529-to-Roth IRA Rollover will be treated. We will publish an update to this document as soon as we receive further direction on this issue. Only the Account Owner of record of a CollegeWealth Account as of December 31 of the taxable year is eligible to take the Virginia state tax deduction for Contributions made to that Account**. Individuals who choose to make Contributions to a CollegeWealth Account owned by another individual or entity are not eligible for the Virginia state tax deduction.** The Virginia state tax deduction for Uniform Transfers to Minors Act/Uniform Gifts to Minors Act (UTMA/UGMA) CollegeWealth Accounts belongs to the Beneficiary, and is reported under the Beneficiary's Social Security number. UTMA/UGMA custodians are not eligible for the Virginia state tax deduction for Contributions made to an UTMA/UGMA CollegeWealth Account.

The Virginia state income tax deduction and exemption are available only to Account Owners in a CSP program who file Virginia personal income tax returns. If an Account Owner or individual contributing to a CollegeWealth Account lives in a state other than Virginia, the state tax consequences may differ from those described here. Contributions to other states' QTPs are not eligible for the Virginia state tax deduction. Before contributing to a CollegeWealth Account, Account Owners and other individuals who do not live or pay taxes in Virginia should determine whether the state in which they live or pay taxes offers a QTP with benefits not available through CollegeWealth such as financial aid, scholarship funds and protections from creditors that are only available for participation in that state's QTP.

Tax Reporting. An IRS Form 1099-Q is sent to the Account Owner for all Distributions from an Account, unless the Distribution is made to the Beneficiary or an institution of higher education. If the Distribution is made to the Beneficiary or to an institution of higher education, CSP is required to send the Form 1099-Q to the Beneficiary. CSP will send the 1099-Q for Distributions from CollegeWealth, Invest529, or Prepaid529. For Distributions made from a CollegeAmerica account, the 1099-Q will be provided by American Funds. The recipient will be responsible for reporting all Forms 1099-Q that are received. If the Distribution was for a Qualified Higher Education Expense (QHEE) of the designated Beneficiary, no federal or Virginia income tax related to that Distribution will be due. If you live in a state other than Virginia, please check to determine your state's treatment of income from another state's Qualified Tuition Program (QTP) that is tax exempt at the federal level. CSP will not determine whether an expense is a Qualified Distribution or Non-Qualified Distribution. Account Owners will be required to maintain records, such as invoices and textbook receipts, adequate to prove qualified expenses. The taxpayer must report the 10% of earnings federal penalty and federal income tax on the earnings for Non-Qualified Distributions on the taxpayer's income tax returns. These amounts will not be withheld by CSP. Please consult the IRS (1-800-829-1040) or your legal, financial or tax adviser for more information. Under the Protecting Americans from Tax Hikes Act of 2015, it is no longer necessary to aggregate multiple CSP Savings accounts (CollegeWealth, Invest529, or CollegeAmerica) or Prepaid529 Contract accounts for purposes of computing the earnings portion of a distribution when the accounts have the same owner and Beneficiary. If an Account Owner has more than one CSP Savings account or more than one Prepaid529 Contract account for the same Beneficiary, the earnings will be calculated on an account-by-account basis for purposes of your Form 1099-Q for each year there is a distribution from one of your CSP Savings accounts or Prepaid529 Contracts. You will receive one Form 1099-Q that reflects the net earnings overall for both Invest529 and Prepaid529.

Coordination with Other Education Tax Incentives
Distributions from an Account may affect other education tax incentives available to an Account Owner, including but not limited to Coverdell Education Savings Accounts, the American Opportunity Tax and Lifetime Learning Credits, the deduction for qualified tuition and related expenses, and the deduction for interest on Student Loans. The coordination between these tax incentives is complex. Please consult the IRS (1-800-829-1040) or your legal, financial or tax adviser before investing.

Account Reporting

Account Statements. The participating bank will issue online statements to CollegeWealth Account Owners according to its normal schedule. Statements may be accessible through online banking. Please check with the participating bank for details.

CollegeWealth Account Agreement

1. Any factual determinations regarding CollegeWealth Accounts will be made by CSP based on the facts and circumstances of each case.
2. CollegeWealth Accounts shall be construed in accordance with the laws of the Commonwealth of Virginia and applicable federal law, including 26 U.S.C. § 529, as amended. Venue for any action arising from or relating to CollegeWealth Accounts opened hereunder shall be in a state court located in the City of Richmond, Virginia.
3. In the event any clause or portion of the Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from the Agreement and the remainder of the Agreement shall continue in full force and effect as if such clause or portion had never been included.
4. This Agreement, which consists of the completed and signed hard copy or online Application, this CollegeWealth Account Agreement, the Program Description, the CSP Privacy Policy as amended from time to time by CSP, is the complete and exclusive statement of the agreement between the Account Owner and CSP related to the subject matter hereof, which supersedes any prior agreement, oral or written, and any other communications between the parties hereto relating to the subject matter of the Agreement. The Account Owner agrees to be bound by any amendments that CSP may make to the CollegeWealth Account Agreement, the Program Description, the CSP Privacy Policy.
5. The Account Owner may, in compliance with the procedures in the Program Description, transfer ownership of a CollegeWealth Account to another individual or entity provided no consideration is given for the transfer. Neither a CollegeWealth Account, nor any interest, rights or benefits in it, may be sold, nor may any interest in a CollegeWealth Account be used as security for any loan.
6. CSP may require that any written documentation, request or any other actions CSP may designate from time to time, be verified under oath.

7. This Agreement is not intended to, nor does it, confer any benefit or legal rights upon any third-party beneficiary. The individual designated as the Beneficiary of a CollegeWealth Account has no independent claim, right or access to any funds in a CollegeWealth Account solely related to such designation. Payments directly to a Beneficiary will only be made with the Account Owner's specific written authorization for such payments.
8. Account Owners may only change investment options twice per calendar year or when the Beneficiary is changed. A separate accounting shall be provided for each Account.
9. CSP reserves the right to close an account in its sole discretion. Reasons for doing so include, but are not limited to, a finding by CSP that there has been a material misrepresentation related to the Agreement or the Account. In the event of closure, the Account Owner will receive a refund of the current Account balance minus any applicable penalty and fees.
10. The Account Owner understands and acknowledges that there is no recourse against the Board's members, committee members or its employees individually, or against the Commonwealth of Virginia or CSP in connection with a CollegeWealth Account. Nothing in this Agreement shall be deemed or construed as an express or implied waiver of the sovereign immunity of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth of Virginia.
11. CSP or the participating bank shall not be liable for any losses or failure to perform its obligations under this Agreement caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, acts of war, terrorism, strikes, power outages or any other conditions or occurrences beyond its control.
12. The Account Owner understands and acknowledges that CollegeWealth Accounts are not deposits or obligations of, or insured or guaranteed by, the Commonwealth of Virginia or any agency or instrumentality thereof. The Account Owner further understands and acknowledges that CollegeWealth Accounts only provide Federal Deposit Insurance Corporation insurance, in conjunction with the participating bank, to the extent provided by federal law.
13. CSP cannot and will not provide legal, financial or tax advice, and nothing herein or in any other written materials shall be construed as such.
14. The Board's decision on any dispute, claim, or action arising out of or relating to a CollegeWealth Account or benefits under such Accounts shall be considered a case decision under the Code of Virginia's Administrative Process Act (APA) and all proceedings related to such dispute, claim, or action shall be conducted pursuant to APA Article 3, including judicial review which shall be provided pursuant to APA Article 5.
15. All notices, changes, options and elections requested by an Account Owner must be submitted online or in writing, and received in good form by CSP. CSP is not responsible for the accuracy of such documentation. If acceptable to CSP, notices, changes, options and elections relating to the Beneficiary will take effect as of the date the notice is processed by CSP, unless CSP agrees otherwise. The Account Owner understands and acknowledges that CollegeWealth provisions and fees may be amended from time to time if CSP determines it is in its best interests to do so. CSP shall promptly notify the Account Owner of such amendments, and the Account Owner agrees to be bound thereby unless the Account Owner promptly notifies CSP of the Account Owner's intent to cancel their Account or Accounts.

Privacy Policy

As of July 1, 2024

Commonwealth Savers Plan (CSP) is an independent agency of the Commonwealth of Virginia, authorized by Chapter 7 of Title 23.1 of the Code of Virginia (1950), as amended (Sections 23-1.700 through 23-1.713).

FACTS	WHAT DOES COMMONWEALTH SAVERS PLAN DO WITH YOUR PERSONAL INFORMATION?
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how CSP collects, shares, and protects your personal information. Please read this notice carefully to understand what is done.
WHAT?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and checking account information • Account balances and assets • Account transactions and transaction history
HOW?	All financial companies need to share customers' personal information to run their everyday business. In the section below, listed are the reasons financial companies can share their customers' personal information; the reasons CSP chooses to share; and whether you can limit this sharing.

Reasons your personal information is shared	Does CSP share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	CSP has no affiliates	Not shared
For our affiliates' everyday business purposes— information about your creditworthiness	CSP has no affiliates	Not shared
For our affiliates to market to you	CSP has no affiliates	Not shared
For non-affiliates to market to you	No	Not shared

Questions?	Visit Virginia529.com or call customer service

Organizational Identification	
Who is providing this notice?	Commonwealth Savers Plan (CSP)

What does CSP do	
How does CSP protect my personal information?	To protect your personal information from unauthorized access and use, security measures are used that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does CSP collect my personal information?	Your personal information is collected, for example, when you: • Open an account or deposit money • Give us your contact information or provide account information • Make deposits or withdrawals from your account Your personal information from others is also collected, such as institutions of higher education, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: • Sharing for affiliates' everyday business purposes—information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

What does CSP do	
Affiliates	To protect your personal information from unauthorized access and use, security measures are used that comply with federal law. These measures include computer safeguards and secured files and buildings.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. • CSP does not share with nonaffiliates so they can market to you
Why can't I limit all sharing?	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. • Our joint marketing partners include companies such as investment management firms and other financial companies

What does CSP do
California residents only: Other than for our everyday business purposes or for marketing our products and services to you, your personal information will not be shared with nonaffiliates without first giving you additional privacy choices. **Vermont residents only:** For joint marketing, only your name, contact information and information about your transactions will be disclosed.

Commonwealth Savers Plan (formerly, Virginia529)
9001 Arboretum Parkway
North Chesterfield, VA 23236
Toll-free 1.888.567.0540

01/01/2025