

Tuition Rewards: Family FAQs

What are Tuition Rewards?

“Tuition Rewards” is a unique customer Reward program! You can earn **Tuition Reward Points** (similar to “frequent flyer miles”) and use them to reduce tuition obligations at 275+ participating four-year **private** colleges & universities in 45 states. The Tuition Reward program was created by SAGE Scholars, a Philadelphia firm founded in 1995 by the former director of admissions & financial aid at the Wharton Graduate School, University of Pennsylvania.

One Tuition Reward Point equals one dollar (\$1.00) in discounts off the “list price” of tuition at participating schools for undergraduate study beginning with the freshman year. For the current freshman class, the maximum possible reward per student is **\$40,905** in discounts, spread evenly over four years of projected attendance. As with Frequent Flyer miles, Tuition Reward Points are not redeemable in cash.

How do I earn Tuition Reward Points?

Purchasing a life insurance policy is one way that Tuition Reward Points are earned. You receive 500 points just for meeting with your life insurance agent and completing a Sponsor form. If the program seems a fit for you and your family, you need to complete and submit a life insurance application. Once your policy is placed in force, you immediately receive an additional 5,000 Tuition Reward points. You will continue to receive 2,000 points each year as long as your policy remains in force.

How many students are earning Tuition Rewards?

More than **190,000** students are now earning Tuition Rewards; which is the largest U.S. private college savings program — as measured by participating students and assets under management.

This sounds great. What does it cost to participate?

The Tuition Reward program is **free** to families & employees. There is no membership cost for participating colleges. All supporting fees are paid by the financial partners of SAGE, who are seeking to provide investors, clients or employees with an added benefit that differentiates the company from competitors.

I'm a suspicious person. Is this for real?

The Tuition Reward program has passed legal scrutiny from two state treasury departments, banks, credit unions, mutual fund companies and multiple insurance carriers. The insurance industry is heavily regulated by state authorities; each participating carrier has compliance departments that have carefully scrutinized and approved our program.

Who can use my Tuition Rewards?

Your children, stepchildren, grandchildren, nieces, nephews and other family members. Sign them up! Enrollment bonus points are issued upon completion of your registration.



What is the enrollment deadline?

The **enrollment deadline** is **August 31st** of the year the student begins 11th grade. Enrollment can begin as early as birth.

What is the deadline for assignment of Tuition Reward Points to a student?

Tuition Rewards are usually assigned to the investor or customer — the “sponsor” (parent, grandparent, etc.). The sponsor **must**, on or before **August 31st** of the year the student begins 12th grade, transfer Tuition Rewards to a registered child for these points to be available to submit to a member college.

How do I submit Tuition Reward Points to a college?

When your child applies to attend a participating college, you **must** submit a Tuition Reward Statement electronically to the member school at time of application. You do this online — at www.tuitionrewards.com — on the “Your Students” page.

How does this affect my child's financial aid package?

Tuition Reward Points are a “**Tuition Assistance Guarantee**.” They represent the **minimum** scholarship -- “merit award,” grant or discount -- that a student will receive from a participating school. Member colleges may “**blend**” [include] Tuition Rewards into a financial aid package or may elect to “**stack**” [add] Rewards when creating the aid package. Students can only receive more financial aid — or the same amount — by participating in our program, never less. Sometimes, students receive the same amount of financial aid -- but more “grant” & less loan. Member colleges sign a contract agreeing to accept less than the “list price” of tuition.

Why would colleges accept less than full tuition?

Years ago, colleges offered financial aid based **only** on “need” (as defined by a federal formula). Today, about 50 selective colleges still do this. But, as college costs have soared, 1,450+ private colleges have chosen to use financial aid as a method to

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attract quality students from middle-income and higher-income families. This aid is being offered as tuition reduction — that is, aid not based strictly on financial need.

Colleges know that the direct costs (professors, teaching materials, etc.) for additional students are less than the full tuition for those students. So, by guaranteeing you a discount off the full price of tuition, as long as colleges cover their direct costs, they come out ahead. Our colleges understand that they need to remain affordable, and they're eager to reward families who are truly saving for college

Why are so many colleges signing up?

That's easy — our colleges want to attract more students, or better students, or both. Our colleges are eager to attract qualified students who might not be familiar with the school. Recently, a member college revealed that, among 28 “sources” of “leads”, Tuition Rewards ranked 5th as a source of inquiries, applications and acceptances – and 3rd in enrolled students.

Many families see published tuition costs and may not even investigate private universities and colleges – believing, mistakenly, that their child can't afford to attend. Hoping to attract these families, participating schools are reducing tuitions by up to 25% up front through our scholarship program.

Don't private colleges cost more than state schools?

Yes, but the dollar difference is considerably less than you might think. First, “list price” often varies very significantly from the actual price that you pay because of discounts & scholarships (including merit aid) that private colleges offer. Second, you need to factor in the graduation rate. According to a UCLA study, the **four-year graduation rate** for private universities is **67%** – versus **28%** for public universities. When you consider the **cost of a 5th (or 6th) year** of college at a state school – versus a private college graduate working and earning a salary in year five – the costs become very comparable....especially with Tuition Rewards. Private colleges offer more value than you may realize; for example, private colleges spend an average of \$21,000 per student on faculty costs; at state colleges, the average is \$10,000. At a private college, your child should expect smaller classes, more personalized attention and more career counseling.

Do state schools participate in the program?

No. Participating schools include only **private** four-year universities and colleges. In general, except for athletic scholarships and a few honors programs, state schools do **not** provide tuition discounts beyond a “need” determination based on the FAFSA form.

How do I find a list of participating colleges?

Visit www.tuitionrewards.com. Click on “Participating Schools.”

Does the list of participating schools change?

Yes. During 2008-2010, we added 72 colleges and universities; two schools chose to leave the program. (If a college withdraws, it's still responsible for points earned to that date.) If the private



college that interests your family is not participating now, it may join by the time your child is ready to apply to college.

How do I register a child?

Log into your account at www.tuitionrewards.com.

Is there a limit to the number of children I can register?

No. Register ALL of your family members; don't forget nieces, & nephews! Our colleges want us to enroll as many students as possible. Students **must** be registered by **Aug. 31st** of the year that 11th grade begins. The reason for the cutoff: Participating colleges deserve sufficient time to recruit potential students.

Do I have to allocate Tuition Rewards equally to the children that I'm registering?

No. It is up to you to decide how to allocate your Reward Points to your “beneficiaries”. The “norm” is to allocate Rewards to the oldest child; if he or she doesn't attend a participating school, then re-allocate points to the next-oldest enrolled child. You **must** allocate your Tuition Rewards to students by **August 31st** of the year that they begin 12th grade.

Is there a maximum of points I can accumulate?

No. But, the maximum Tuition Reward you can use per student is limited to 25% of a member college's current tuition (or as contractually agreed). Rewards are spread evenly over a projected four years of attendance (and are never issued in cash).

Can you provide an example?

Yes: If the participating college's freshman year tuition fee is now \$20,000, and you have earned 20,000 (or more) in Tuition Reward Points, the maximum that you can use is 20,000 points. Your child's tuition cost is **guaranteed** to be reduced by **at least** \$5,000 per year for four years at participating schools.

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How can I access my Tuition Reward point balance?

Log into www.tuitionrewards.com to access your account.

Is participation in Tuition Rewards a guarantee of admission into member colleges?

No. Each school's normal admissions standards still apply.

Does any of my financial data go to the colleges?

No. Your financial data is **never** sent to participating schools. Your data is kept strictly confidential; only the total points accumulated are sent to a member college. The college is **not** told how the Tuition Rewards were earned (the investment specifics), by whom (parent, grandparent, uncle, etc.) or the asset values.

Can my child still apply for financial aid?

Yes. As Tuition Reward Points represent a discount, not an asset, points are not listed on the federal form determining financial need (FAFSA).

Are Tuition Reward Points just like a scholarship?

Yes. Tuition Rewards represent a **guaranteed minimum scholarship** that a student will receive, spread evenly over four years, if and when he/she attends a participating school. If your student receives another type of scholarship, the member college can choose to "**blend**" [include] or "**stack**" [add on top] the Tuition Rewards with other scholarship funds.



Are Tuition Rewards taxable?

No. Because Tuition Rewards are a REDUCTION in tuition — and you are not receiving additional income — Rewards are **not** taxable. You're simply paying less for college.

Are Tuition Rewards applicable to room, board, fees?

No, only tuition.

Can Tuition Rewards be used for graduate school?

No. Tuition Rewards can be used only for **full-time, undergraduate education starting with the freshman year.**

Can I ever "cash out" my Tuition Rewards account?

No. Tuition Rewards are **POINTS** — and are never awarded in cash. (If your student does not attend a participating college, points that are not student-specific can be re-assigned to a younger enrolled beneficiary.)

Must the life insurance policy earning Rewards actually be used for my child's college expenses?

No. The life insurance policy used to earn Tuition Reward Points does **not** need to be used to pay for college. It's always your choice how you finance your family member's education.

My child is in 9th grade. I don't see any colleges of interest. Why should I participate?

Four reasons: First, there's **no cost** to participate. Second, when you look closer, you may discover several interesting, innovative colleges. Third, by the time that your child is ready to apply to college, additional schools of interest are likely to join. Fourth, you may have a younger child — or niece, nephew or grandchild — who could benefit in the future.

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My child is in 9th grade. If I join now, and the college doesn't join until my child is in 12th grade, what happens?

The beauty of our program is that as more colleges join, your Tuition Rewards are applied to these schools, too (as always, your child must submit his/her Rewards at time of application).

Does my child have to choose a school now?

No. You submit your points to participating colleges of interest when your child is a high school senior - at time of application.

How do I submit points to colleges?

Step 1: Most points are awarded to “Sponsors” (account holders -- typically parents or grandparents). You must assign your points to a specific child before the “**Transfer Deadline**” (Aug. 31 of the year that 12th grade begins). **Step 2:** Log into your account; select the student. Use the “Submit Rewards” menu link. “Check” the box next to the name of the member college.

When do I submit points to colleges?

You must submit your points at time of application. To accommodate early-decision applicants, the website link for “Submit Rewards” is available starting June 1 at the end of 11th grade. However, don't submit your points too early! For many of our financial affiliates, additional points are awarded based on June 30 asset values. After submitting points to a college, a student is prevented from receiving additional points. (This ensures the same amount of points is sent to all member colleges.)

What if my student takes a “gap year” before college?

The website link --“Submit Points” to Member Colleges -- remains available for three years after high school graduation. Even if your student does not plan to apply to college during 12th grade, you **must** still transfer points from your Sponsor account to the student's account prior to August 31st of the year that 12th grade begins. Students must begin to use Reward Points within three years of high school graduation (with an exception for military service).

What if my student first attends a community college – and then wants to transfer to a four-year member college?

Our agreements with our member colleges specify that Tuition Reward Points are to be used for **undergraduate education, starting with the freshman year.** That said, you **can** submit points to a member college when a student transfers. Although the college has **no obligation** to accept the points, many of our colleges will do so (“pro-rating” points over a projected two years of attendance).

What happens to my points if they are not used?

If your student does not attend a participating college, you can either return any sponsor points* to your account -- or assign the points to another child whom you've enrolled. You must do this within three years following high school graduation. Unused points in a student's account expire after three years.



*“Student-specific” points cannot be transferred to other enrolled students.

Do points expire?

Points in a Sponsor's account never expire. Upon death of a sponsor, unused points become part of the estate. Unused points in a student's account, however, do expire three years after high school graduation (with an exception for military service). If your student attends a member college, the points are considered “used” (if submitted). If your student does not attend a member college, within three years of high school graduation, you must transfer the points from the student's account* either to another student in your family – or back to your sponsor account.

*Certain restrictions apply on “student-specific” points.

Can I give unused Reward Points to an organization?

No. Nor can you transfer points to a student who is not a family member. After all, neither the organization nor you are likely to pay a significant share of the student's college education.

What happens if I liquidate my life insurance policy?

You stop accumulating Tuition Rewards. But, the points that you've already earned are yours to use, unless your financial provider stipulates otherwise.

This sounds too good to be true. What's the ‘catch’?

Member colleges participate because they are able to recruit more or better students. Your children may receive some mail or email from participating colleges once they begin high school. In return, you gain the opportunity to pay less tuition at 275+ private colleges in 45 states.

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