

COMPETITIVE EDGE COLLEGE SAVINGS PROGRAM
LPS Education Foundation
Information for Parents

The Competitive Edge College Savings Program (the "Program") is hereby established effective August 1, 2007. The Program will be administered by or under the supervision of the Board of Directors (the "Board") of the LPS Education Foundation (the "Foundation"). The Program is a program of the Foundation and is not a program of the Livonia Public Schools School District (the "District").

GOAL: The goal of the Program is to help give students in the District and community, a "**Competitive Edge.**" The Program hopes to achieve this goal by encouraging students and their families to save for college and other postsecondary education. The Program also hopes to help attract families with school-age children to the community and retain families with school-age children in the community, making the Program yet another reason to live in the community.

PROGRAM: As envisioned, the Program would operate as follows:

- Parents and/or legal guardians of an entering Kindergarten student will be given the opportunity to participate in an Internal Revenue Code Section 529 College Savings Plan (the "College Savings Plan") established by the Foundation.
- Each year, the Foundation will provide education savings planning information for parents and/or legal guardians of kindergarten students to educate them on the benefits of starting college saving early.
- The Foundation will deposit a set amount of money for eligible students into a 529 account after parents agree to participate.
- The College Savings Plan will be offered through the Michigan Education Savings Program ("MESP") and would be subject to all of terms and conditions of the MESP. **Information about MESP can be found at www.misaves.com.**
- A Section 529 account would be established in the name of the Foundation within the MESP to hold funds contributed by the Foundation under the Program. The Foundation would be the legal owner of any and all funds held in such account. The Foundation would maintain or cause to be maintained records, the exact form of which would be determined by the Board in its discretion, of funds contributed to such account for students electing to participate in the College Savings Plan.
- Parents or legal guardians of a kindergarten student can always establish their own Section 529 account where they could also contribute funds for their child's college or other postsecondary education. This Section 529 account would be different and separate from the Section 529 account established and owned by the Foundation. The parents or legal guardians of a kindergarten student would be the legal owner of any and all funds held in the Section 529 account opened by the parents or legal guardians. **Parents or guardians WILL NOT be placing any money into the program managed by the foundation.**

ELIGIBILITY CRITERIA: To be eligible to participate in the Program:

- The student must **be enrolled as** a kindergarten student of the District **by February 1, 2021**.
- The student must remain a student of the District or return to the District until graduation from a District high school.
- The student must attend a postsecondary education or technical trade school meeting the requirements of the MESP upon graduation from a District high school.
- The parents or legal guardians **WILL NOT** make contributions to a Section 529 account in order to be eligible. However, they **must be enrolled in the Competitive Edge Program in order to be eligible for any contribution made solely by the Foundation.**

INVESTMENT RISKS: Investment outcomes are often subject to considerable risks. The students, parents and/or legal guardians participating in the Program assume any and all risks. No assurance is given that any information provided students, parents, or legal guardians will achieve particular investment objectives or that the results of any investment will be favorable. Any illustrations of past performance should not be taken as a reliable indicator of future performance. The Foundation and District will have no liability whatsoever, to any student, parent, or legal guardian with respect to any investment made in any Section 529 account.