

SEED OK

SEED for Oklahoma Kids

Answers to Frequently Asked Questions



**A Special Opportunity
for You and Your Child**

Your child has a bright future. We can help you save for it.

A college education is an important step on the road to success. It offers the opportunity to gain knowledge and skills to last a lifetime, discover new ideas, and make lasting friendships. College graduates may have better health, live longer, have more job choices, and earn more money than people with no degree.

With a new child, the need to save for college may seem far off. But by starting to save today, paying for college may be easier to achieve. An Oklahoma College Savings Plan account and SEED OK offer you a smart way to do this.

SEED OK has already started saving for your child's education with \$1,000 deposited into an Oklahoma College Savings Plan account (SEED OK account). Your child will be able to use this money to attend college or university, community college, or vocational school.

As part of this special opportunity available to only a few Oklahoma families, you may open your own Oklahoma College Savings Plan (Your Account) in your child's name. If you act by **April 15, 2009**, the state will make the \$100 initial deposit for you. Once Your Account is open, you might qualify for additional money—a Savings Match deposited into your child's SEED OK account each year you save, through 2011.

After you open Your Account, your child will have two Oklahoma College Savings Plan accounts:

Account	Opening	Beneficiary	Ownership	Deposits	Investment
SEED OK Account	The State opened	Your child	State owns for the benefit of your child	\$1,000 and the opportunity for up to \$250 or \$125 Savings Match each year through 2011	Balanced Option
Your Account	You open	The same child as on the SEED OK Account	You own	When you choose to save—\$25 or more	You choose among the Plan investment options

Read more to find answers to questions about opening an Oklahoma College Savings Plan Account and the Savings Match.



About the SEED OK Account

What is the SEED OK Account?

The SEED OK Account is a special account in the Oklahoma College Savings Plan “seeded” with \$1,000 for your child’s future. The State of Oklahoma owns the account, but only your child benefits from the money. Money in the SEED OK Account is invested in the Balanced Option for your child’s education after high school.

Can I put money into the SEED OK Account?

Only the State can put money into the SEED OK Account. But you can open your own Oklahoma College Savings Plan (called Your Account) and save for your child. If you open your own account, you may qualify for a Savings Match.

It’s easy to start saving for your child’s future!



Act by **April 15, 2009, and the State will deposit the \$100 initial contribution for you.*



About the Savings Match

Please read the enclosed *Savings Match Terms* for complete details.

What is the Savings Match? How does it work?

The Savings Match is a SEED OK incentive for you to save for your child's future. To receive this match, you must open your own Oklahoma College Savings Plan (Your Account). When you save money in Your Account, you may be eligible for a \$1 to \$1 or \$0.50 to \$1 match on your savings in 2009, 2010, and 2011. This match will be placed in your child's SEED OK Account.

Your Savings Match eligibility is based on your federal adjusted gross income.* How much Savings Match you receive depends on the deposits you make into Your Account.

Do I qualify for the Savings Match? If so, how much?



Your Adjusted Gross Income	Match Rate	With Yearly Deposits of:	Your Savings is Matched:
Below \$29,000	When you deposit \$1.00 the State will deposit \$1.00	\$25 to \$250+	\$25 to \$250
\$29,000 to \$43,499	When you deposit \$1.00 the State will deposit \$0.50	\$25 to \$250+	\$12.50 to \$125
\$43,500 or more	Not eligible	\$25 to \$250+	\$0

* The Savings Match income ranges may increase in future years. The State will notify you of any changes.



If your adjusted gross income is less than \$29,000, the largest match you can receive each year is \$250. For example, if you save \$250 or more in Your Account in 2009, then your child's SEED OK Account will receive \$250.



If your adjusted gross income is \$29,000 to \$43,499, the largest match you can receive each year is \$125.

For example, if you save \$250 or more in Your Account in 2009, then your child's SEED OK Account will receive \$125.



About the Savings Match

What is my federal adjusted gross income? How will it be used?

Your federal adjusted gross income is an amount that you report to the Oklahoma Tax Commission when you file a State income tax return. The State will use your income from earlier tax returns because more current records will not be available when the Savings Match is calculated. For example:

Match eligibility for deposits you make in	Will be determined by income on your return from tax year
2009	2007
2010	2008
2011	2009

If I was not required to file an Oklahoma Tax Return, can I still qualify for the Match?

Yes. If you did not file an Oklahoma Tax Return because your income was below the amount required for filing in a given year, you can qualify for the Savings Match if you received Food Stamps, Medicaid, or Temporary Assistance for Needy Families (TANF) benefits from the State in that same tax year. The Oklahoma Department of Human Services will check if you received these benefits. If you were not required to file for other reasons, see the *Savings Match Terms*.

What must I do to receive the Savings Match?

1. **Complete, sign, and return** the Oklahoma College Savings Plan application to open an account for your child.
2. **Complete, sign, and return** the Match Eligibility Form to the State.
3. **Save money** from birthdays, other gifts, or tax refunds in Your Account.



About the Savings Match

Why do I need to fill out and sign the Match Eligibility Form?

The State will use this form to check if you qualify for the Savings Match. To protect your privacy, the Oklahoma Tax Commission and Department of Human Services may only release information to the State with your written permission. This form gives that permission.

When do I need to return the Form?

Sign and return the Match Eligibility Form now, so your deposits can be matched as soon as possible. You only need to fill out, sign, and return this form once. It will be valid from 2009 through 2011, when the SEED OK Savings Match ends.

When will my savings be matched?

When you deposit money in Your Account, your savings will be matched in the next quarter. For example, if you save money in Your Account in February 2009, the Savings Match will be deposited in your child's SEED OK Account between April and June 2009.

I may not qualify for the Savings Match. Should I open an Oklahoma College Savings Plan account anyway?

Yes! There are many reasons why you should open an account.

- ▶ **Save** for your child's education
- ▶ **Receive tax benefits** (See the *Invest Today for a Brighter Tomorrow* Oklahoma College Savings Plan brochure)
- ▶ **Qualify later** and receive the Savings Match if your income or the SEED OK income ranges change (See *Savings Match Terms*)

What if someone else opens an account for my child? Can they get the Match?

No. **Only you—the person who completed the SEED OK Study phone interview—** can qualify for the Savings Match.



Opening Your Oklahoma College Savings Plan Account

Read the *Disclosure Booklet* at www.ok4saving.org for complete details.

How much money do I need to open My Account?

Accounts opened after April 15, 2009 require you to make a \$100 minimum initial contribution. However, **if you open Your Account by April 15, 2009, the State will deposit the \$100 initial contribution for you, directly into Your Account.** This \$100 is not eligible for the Savings Match.

How can I open My Account?

You can open Your Account either by:

- ▶ **Mail.** Fill out the enclosed account application and mail it to the Oklahoma College Savings Plan in the envelope provided.
- ▶ **Internet.** Open Your Account online at www.ok4saving.org/account/open.html.



About Your Account

Once I open My Account, are there future deposit requirements? Is there a minimum amount to contribute?

There are no future contributions required, but we encourage you or family and friends to make additional deposits to Your Account. If you do add to your account, the minimum deposit is \$25 per investment option. If your employer allows payroll deduction, the minimum subsequent contribution to an account may be as low as \$15 per investment option, per pay period.

About Your Account

How can I save in My Account?

You can save money by:

- ▶ **Writing** a check and mailing it to the Oklahoma College Savings Plan
- ▶ **Setting up** an automatic contribution plan through your bank
- ▶ **Enrolling** in payroll deduction with your employer

I have more than one child. Which child should be the beneficiary?

The child identified by name and Social Security Number on the SEED OK Account must be the beneficiary of Your Account to receive the \$100 deposit (for opening the account by **April 15**) and possibly qualify for the Savings Match. To save for your other children's future,

you can open Oklahoma College Savings Plan accounts for each child. These accounts will not be part of the SEED OK study. You can also change the beneficiary of Your Account to another family member after the SEED OK study ends in 2014.



How do I track My Account?

You will receive a statement every three months that shows Your Account activity. You will also have online access to Your Account information 24 hours a day at www.ok4saving.org.

What if I already have an Oklahoma College Savings Plan for my child?

If you—the person who completed the SEED OK Study phone interview—already own an Oklahoma College Savings Plan account for your child, you do not need to open another account. This account will become Your Account and possibly qualify for the Savings Match.



About the Oklahoma College Savings Plan

Read the *Disclosure Booklet* at www.ok4saving.org for complete details.

What is the Oklahoma College Savings Plan?

The Oklahoma College Savings Plan is a state-sponsored education savings program created to help families save for college. It includes investment options to help you with your investment goals, plus features that may help make investing more affordable.

Will my child have to use the money at an Oklahoma college?

No. The money in Your Account and the SEED OK Account may be used at both in-state and out-of-state eligible educational institutions. This includes public and private colleges and universities, graduate and post-graduate schools, community colleges, and certain proprietary and vocational schools.

How will money in an account affect my child's financial aid eligibility?

The federal government establishes eligibility for federal financial aid. These rules may change before your child enters college. Also, state financial aid policies and the policies of individual colleges may vary.

► **SEED OK Account:** Based on current federal rules, savings in this account should not impact the student's eligibility for federal financial aid.

► **Your Account:** Current federal rules expect a limited portion of parents' savings to be spent each year for their child's college education, up to a maximum of 12 percent. Due to protections in the financial aid formula, this percentage is usually lower for most families. Depending on parents' income at the time your

child goes to college, the money saved in Your Account may not be considered at all.



About the Oklahoma College Savings Plan

How will money in an account affect any federal or state benefits for my family?

- ▶ **SEED OK Account:** Under current program guidelines, the money in this account will not affect your eligibility for federal or state benefits administered by the Oklahoma Department of Human Services, since neither you nor your child can directly access this money.
- ▶ **Your Account:** Effective November 1, 2008, money in Your Account will not affect your eligibility for Food Stamps, Low Income Home Energy Assistance Program (LIHEAP), and TANF. This money is also not considered in determining your eligibility for the Child Care and certain SoonerCare (Medicaid) Programs. Under current program guidelines, since you will have control over Your Account, it will be considered as an available resource in determining your eligibility for some SoonerCare (Medicaid) Programs, State Supplemental Payments (SSP), and Supplemental Security Income (SSI). For questions about how money might affect a specific benefit, please contact the Oklahoma Department of Human Services at **(866) 411-1877** or visit **www.okdhs.org**.

What if...

My child does not attend college or another degree program soon after high school?

- ▶ **SEED OK Account:** The money will remain available until your child reaches age 30. If your child does not use this money by age 30, the funds will be used for other Oklahoma families.
- ▶ **Your Account:** Money may be used for your child's post-secondary education at any age. You can also change the beneficiary of Your Account to another family member after the SEED OK study ends in 2014.

We move out of Oklahoma?

If you move to another state, the State of Oklahoma will maintain the SEED OK Account and Your Account. Your child will still be able to use the money for education after high school.



We're Here to Help

The information in this booklet is meant to answer general questions you may have about SEED OK. For complete details about the Oklahoma College Savings Plan, please read the *Disclosure Booklet* at www.ok4saving.org. For details about the Savings Match, see the enclosed *Savings Match Terms*.



If I have questions, who should I contact about the...

Savings Match or Match Eligibility Form?

Call the State of Oklahoma at **1-866-SEED4OK** (1-866-733-3465), or go to the State Treasurer's website at www.treasurer.ok.gov and click the SEED for Oklahoma Kids link.

Oklahoma College Savings Plan?

Call a college-savings plan expert at **1-877-654-7284**, or visit the Oklahoma College Savings Plan website at www.ok4saving.org.



*a new
year
a new opportunity
to start **saving**
for your child's
future.*





Oklahoma State Treasurer's Office

Oklahoma State Department of Health



Center for
Social Development

GEORGE WARREN BROWN
SCHOOL OF SOCIAL WORK



Washington University in St. Louis



RTI International is a trade name of Research Triangle Institute

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