

CHET Baby Scholar Official Rules

Overview

Pursuant to a 2014 law, the Office of the State Treasurer (the "Sponsor") is administering CHET Baby Scholars, a program that incentivizes families to begin saving for college as early as possible. CHET Baby Scholars is a program associated with CHET, the State of Connecticut's 529, tax advantaged college savings plan.

Families meeting the eligibility criteria can receive up to \$250 from the program, as follows:

1. A \$100 contribution will be made into the CHET account of a child one year old or younger (or a child within the first year after adoption), who resides in Connecticut. Account owner must also have opted-in to the CHET Baby Scholars program.
2. For those who qualified for and received the initial contribution, an additional \$150 will be made available to those CHET account owners who contribute at least \$150 into the account on or before the child's fourth birthday (or fourth anniversary of the child's adoption).

Both the first and second contribution will be made into one CHET account for which the child is a beneficiary. The initial \$100 contribution will not count toward the \$150 requirement. If the account is opened with any amount greater than \$150 for the initial contribution, the full \$250 will be deposited into the account. Examples:

Scenario 1: A CHET account for a new baby is opened in November with an initial deposit of \$25, and the account owner opts-in to CHET Baby Scholars. The first \$100 CHET Baby Scholar contribution will be deposited into the account at the end of January (the month following the close of the quarter in December.) The account owner makes additional contributions totaling \$150 by May of the following year. The additional \$150 CHET Baby Scholars match will be deposited into the account by the end of July (the end of the month following that quarter ending in June).

Scenario 2: A CHET account for a new baby is opened in November with an initial deposit of \$1,000, and the account owner opts-in to CHET Baby Scholars. The full \$250 CHET Baby Scholar contribution will appear in the account at the end of January (the end of the month following the fourth quarter ending in December.)

Please note that CHET Baby Scholars contributions are dependent upon funding limitations as overseen by the Office of the State Treasurer and can be reduced or stopped at the Office's discretion at any time for any reason.

Eligibility and How to Apply

The child must be a beneficiary of a CHET Account. For information about opening a CHET account visit www.aboutchet.com or call 888-799-2438. Either a new CHET account must be opened for the eligible child OR if an account for the eligible child already exists, you must opt-in to the CHET Baby Scholars program on the CHET website at www.aboutchet.com/babyscholars. In addition, **all** of the following rules apply:

- The beneficiary must have been born or legally adopted on or after January 1, 2014 **AND**
- A CHET account must be established for the child (a new account must be opened or one must already exist) by the child's first birthday (by 11:59PM) **or** in the case of an adoption, no later than one year after the date the beneficiary is legally adopted (by 11:59PM). **AND**
- The account owner must opt-in to the CHET Baby Scholars program **AND**
- The beneficiary must be a state of CT resident at the time the CHET new account application is submitted or at the time the account owner opts-in an existing CHET account for that beneficiary.

Note: No family income restrictions apply. Families of all incomes are eligible.

A child may receive Baby Scholars contributions for only one CHET Account and the maximum amount a child can receive under the program is \$250. In the event that more than one account for the same Beneficiary opts-in to the CHET Baby Scholars Program, the CHET Baby Scholar contribution(s) will be awarded to the first CHET account opened for the Beneficiary that opts-in to CHET Baby Scholars. In the event that multiple CHET account applications that opt-in are received on the same day for the same beneficiary, the CHET Baby Scholars contribution will be made into to the account first processed and approved that day. The contribution(s) will be credited to the beneficiary's CHET account in the month following the end of the quarter in which the account was opened (for initial \$100) or the match amount was met (for the \$150 match.)

Integrity of the Program

Acceptance of a CHET Baby Scholars contribution is the account owner's authorization for the Office of the State Treasurer to undertake, at its discretion, an investigation to verify the account owner meets the program requirements. The Office of the State Treasurer reserves the right at all times to require evidence of eligibility to receive a CHET

Baby Scholars contribution and may conduct an investigation to determine eligibility without obtaining additional consent from the account owner. In the event that a subsequent investigation reveals that the CHET Baby Scholars contribution was obtained through misrepresentation or fraud, the Office of the State Treasurer shall revoke the CHET Baby Scholars contribution.

Under certain circumstances, a CHET Baby Scholars contribution, and any earnings, may be fully or partially forfeited. These circumstances include when a Participant provides false information on the CHET account application, the CHET Baby Scholars opt-in section, or through information provided to the CHET call center.

Agreement to the Official Rules

By opting into CHET Baby Scholars and receiving contributions, applicants must fully and unconditionally agree to and accept these Official Rules and the decisions of the Sponsor, which are final and binding and not appealable in all matters related to the program.

Use of Personal Information

Any information provided to Sponsor through participation in the CHET Baby Scholars program is used only in accordance with the CHET Baby Scholars Official Rules, as amended from time to time, located at www.aboutchet.com/babyscholars. The information provided on the CHET new account application is personal information. The personal information provided, or which will be reviewed in connection with an account owner's opt-in to CHET Baby Scholars includes social security number or taxpayer identification number, name, address and birthdate. The Office of the State Treasurer will use or review information according to state law to determine eligibility for a CHET Baby Scholars contribution. Social security numbers or taxpayer identification numbers are required to verify the identity of the account owner to open a CHET 529 college savings account, and to subsequently receive the contribution. Social security numbers or taxpayer identification numbers are also used for federal and state tax administration purposes.

Personal information cannot be disclosed to third parties without the account owner's informed consent or the consent of the person to whom it pertains, unless required by state or federal law or legal process.

Tax consequences

CHET Baby Scholars participants are urged to consult a tax advisor regarding tax consequences of any contribution received pursuant to the program. All contributions are awarded "AS IS" without warranty of any kind, express or implied, including without limitation warranties for fitness for a particular purpose.

Governing Law, Jurisdiction, and Dispute Resolution

Account owner agrees that (a) any and all disputes, claims, and causes of action arising out of, or connected with, the CHET Baby Scholars shall be resolved individually, without resort to any form of class action, and exclusively by the United States District Court for Connecticut or the appropriate Connecticut State Court located in Hartford County, CT; (b) any and all claims, judgments, and awards shall be limited to actual out-of-pocket costs incurred, including costs associated with participating in the CHET Baby Scholars, but in no event attorneys' fees; and (c) under no circumstances will a participant be permitted to obtain awards for, and participant hereby waives all rights to, claim punitive, incidental and consequential damages and any other damages, other than out-of-pocket expenses, and any and all rights to have damages multiplied or otherwise increased. Some jurisdictions do not allow the limitations or exclusion of liability for incidental or consequential damages. So the above may not apply to all participants. All issues and questions concerning the construction, validity, interpretation, and enforceability of these Official Rules, participant's rights and obligations, or the rights and obligations of the Sponsor in connection with the CHET Baby Scholar program, shall be governed by, and construed in accordance with, the laws of the State of Connecticut, without giving effect to any choice of law or conflict of law rules (whether of the State of Connecticut or any other jurisdiction), which would cause the application of the laws of any jurisdiction other than the State of Connecticut.