



Governor's Scholarship Programs

Qualified Withdrawal Form

Instructions

- Use this form to withdraw funds from your Student Scholarship Account ("Account") to pay for your qualified higher education expenses (defined in Section 2) that were billed to you by the eligible educational institution ("school") in which you are enrolled. Carefully read the attached *Qualified Withdrawal Guidelines* and *Governor's Scholarship Programs' (GSP) Guidelines* before completing this form.
- You must provide your Account Number, Social Security Number or Taxpayer Identification Number and signature on this form or your withdrawal will not be processed. In addition, your withdrawal will not be processed and this form will be rejected if the Social Security Number or Taxpayer Identification Number on your Account does not match the number you provide in Section 1.
- Print all information in blue or black ink and **be sure to sign and date this form**, then mail it to the Programs' at the address on the following page. You may want to retain a copy for your records.
- Questions?** Visit www.cagovernorsscholars.org or call toll-free 1 866-477-9665 for information or assistance.

1 Account Information

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<i>Student Scholarship Account Number</i>	<i>Social Security Number or Taxpayer ID Number</i>
<i>Name on Account (First, MI, Last, Suffix)</i>	
<i>Residential Street Address</i>	
<i>City, State, Zip</i>	
<i>Daytime Telephone Number</i>	

2 GSP Withdrawal Information

Qualified higher education expenses include tuition, fees, certain room and board costs, books, supplies and equipment required for your enrollment or attendance at the school. The amount you withdraw can **only** be sent directly to the school you currently attend, or are enrolled in for the next term. Please verify the school's mailing address before submitting this form to the Programs.

Note: Payments to foreign schools are limited to those determined to be Eligible Educational Institutions that can accept payment in US dollars. It is your responsibility to determine if a foreign school meets those requirements and to verify the proper mailing address.

➤ **Indicate the amount of the withdrawal in the spaces below.** (Check only one.)

Entire Account Balance **or**

Specific Amount ¹

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AN IMPORTANT NOTICE TO FINANCIAL AID RECIPIENTS: Many schools require scholarship checks to be processed through the financial aid office. Please verify the mailing address with your school before completing this section.

Make check payable to and mail to:

<i>Name of Eligible Educational Institution (School)</i>
<i>Attention (Department, Office or Person)</i>
<i>Student Name</i>
<i>Student ID</i>
<i>School Mailing Address</i>
<i>School City, State, Zip</i>

¹ If you provide a "Specific Amount" and your remaining balance will be \$100 or less, a check for the entire account balance will be mailed to the Eligible Educational Institution you indicate above and your account will be closed.

3 Privacy Notice

The California Information Practices Act of 1977 requires that the ScholarShare Investment Board (SIB) maintain the privacy of personal information provided by you on any SIB forms or introduced by you into any SIB record-keeping system, including information provided on the Internet.

We Will Not Disclose Your Information: The personal information that you provide on this qualified withdrawal form will not be disclosed to anyone without your written consent unless the information is authorized or required to be disclosed by the California Information Practices Act, or by other state or federal law. Your Social Security number or Taxpayer Identification Number will be provided to any school that receives a direct distribution of a payment of qualified higher education expenses on your behalf so that the school can verify your identity.

Purpose for Requesting Information: The California Information Practices Act of 1977 and Section 7 (b) of the Federal Privacy Act of 1974 require that applicants for and participants in the Golden State ScholarShare Trust (Trust) be provided with the following information.

The purpose of requesting this information is to process your withdrawal from your GSP Account in the Trust, containing your scholarship award and earnings, according to the guidelines established under Sections 117 and 529 of the Internal Revenue Code of 1986 and by the State of California. Furnishing your Social Security Number or Taxpayer Identification Number and other requested information is mandatory. Failure to provide the information requested might prevent or delay your withdrawal.

You have the right to access records that pertain to you and that were established from the information you have furnished. Your Social Security Number or Taxpayer Identification Number is used to verify your identity and for federal tax administration purposes involving Section 529 (b)(6) of the Internal Revenue Code of 1986 and is requested pursuant to legal authority contained in the California Code of Regulations, Title 5, Section 31001 and Section 31004. The SIB is responsible for maintaining information that you introduce into SIB's record-keeping system, including information contained in this form.

Retention of Your Personal Information: The personal information that you introduce into SIB's record-keeping system will be maintained until your 30th birthday.

We Do Not Discriminate: TIAA-CREF Tuition Financing, Inc. and SIB, in compliance with federal statutes and the Equal Protection Clause of the California Constitution, do not discriminate on the basis of race, color, national origin, sex or handicap in any of their policies, procedures, or practices. Inquiries regarding these equal opportunity policies may be directed to SIB or to TIAA-CREF Tuition Financing, Inc.

4 Signature and Certification

By signing below, I certify the following:

- I have read, reviewed, understand and agree to all terms, conditions and provisions presented in this *Qualified Withdrawal Form*, and on the enclosed *Qualified Withdrawal Guidelines* and *Governor's Scholarship Programs' Guidelines*, which are incorporated herein by reference.
- Information provided on this form is true and correct and I am the individual identified in Section 1.
- This award will not be used for any purpose other than for qualified higher education expenses while pursuing a degree at the school identified in Section 2. Qualified higher education expenses are defined in the *Qualified Withdrawal Guidelines*.
- This award is non-transferable.
- I acknowledge that if any portion of the withdrawal amount is used for payment of room and board or used to pay expenses at a correspondence school, then I must report such amount to the Internal Revenue Service when filing my income tax return for the year that I withdrew these funds.
- No other request has been previously submitted to GSP or the Trust, or to any other qualified tuition program, for reimbursement of these expenses.
- I acknowledge I must return to the Trust any portion of this withdrawal refunded by my school to me (or to any person on my behalf) that is not immediately used for other qualified higher education expenses.
- To the best of my knowledge, total withdrawals from the Trust for room and board for this academic year have not exceeded the room and board limitations described in the *Qualified Withdrawal Guidelines*.
- I certify that I attended a California public school for at least 12 continuous months immediately prior to taking the achievement test on which I received a qualifying score for my first scholarship award under the GSP. I agree that, if requested, I will submit my school records as evidence of such attendance.
- I understand that, if at some later date it is determined that any of my certifications on this form are false or inaccurate, or that any claim or qualified withdrawal information is false or inaccurate, my scholarship award and any applicable earnings remaining in the Account will be forfeited.

Student Signature

Date

Mail this form to:

Governor's Scholarship Programs
P.O. Box 8227
Boston, MA 02266-8227



Program Administration by TIAA-CREF Tuition Financing, Inc.

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QUALIFIED WITHDRAWAL GUIDELINES

- **The Trust will only send the amount withdrawn directly to the school you currently attend or plan to attend.**
- Your school must be an “eligible educational institution,” as defined in Section 529 of the Internal Revenue Code. Generally, an “eligible educational institution” is a postsecondary educational, vocational or proprietary institution that is eligible to participate in the Department of Education’s Title IV Financial Aid Programs. You should check with your school to determine whether or not it participates in these financial aid programs before submitting this form.
- If you are attending the University of California, visit <http://www.ucop.edu/sas/sfs/gsp.htm> to obtain the proper mailing address for your school. Then write the mailing address in Section 2 of this form.
- You are NOT required to submit bills, receipts or other substantiation of qualified higher education expenses along with this form.

Qualified Higher Education Expenses are:

- Tuition and fees;
- Costs of books, supplies and equipment required for the enrollment or attendance at an eligible educational institution; and
- Certain amounts for room and board.

- **Use of Withdrawn Scholarship Funds for Room and Board** You are subject to federal income taxation on the portion of your withdrawal used for room and board in the year it was withdrawn. Section 529 of the Internal Revenue Code requires that withdrawals from the Trust for room and board costs not exceed certain limits. These limits are as follows: For students living at home with parents, as well as students not living in campus provided housing, the student’s school’s “cost of attendance” allowance for room and board under federal financial aid programs will be treated as the qualified expense. For students living on campus, the amount of room and board treated as qualified expense can be the actual amount charged to the student, even if it is greater than the “cost of attendance” allowance. You must also be enrolled in a certificate-granting program at least halftime to use your scholarship funds for room and board.
- **Return of Withdrawn Scholarship Funds** You must return to the Trust for redeposit into your Account any portion of a qualified withdrawal that is refunded by your school to you, or to anyone else on your behalf, if not immediately used by you for other qualified higher education expenses.
- **Tax Considerations** The GSP have been designed so that scholarship awards, including the earnings, used for certain qualified higher education expenses while a student is pursuing a postsecondary degree will not be subject to federal income taxation. Pursuing such a degree is generally defined as a student (full or half-time) who:
 1. Is pursuing a degree at a college or university, or
 2. Attends an eligible educational institution that is authorized to provide:
 - A program that is acceptable for full credit towards a bachelors or higher degree, or
 - A program of training to prepare students for gainful employment in a recognized occupation.

Any portion of the scholarship awards or earnings withdrawn as payment of room and board costs will be subject to federal income tax in the tax year it was withdrawn. Students must report such amount to the Internal Revenue Service when filing their federal income tax return. Similarly, any portion of a scholarship award used to pay for qualified higher education expenses at correspondence schools may not be eligible for federal tax-exempt treatment.

Notwithstanding the design of the GSP, the Internal Revenue Service could take the position that all scholarship awards are subject to federal income taxation in the year the student is notified of the award. Students and their families should consult their tax advisors regarding the federal tax treatment of scholarship awards.

California law provides that these scholarship awards, (including the earnings but excluding any portion of the awards used for payment of room and board costs) are exempt from California income tax.

GOVERNOR'S SCHOLARSHIP PROGRAMS' GUIDELINES

Lack of Guarantees

Neither SIB nor the State of California nor TIAA-CREF Tuition Financing, Inc. and its affiliates, guarantee in any way that:

- Higher education expenses will be equal to projections and estimates provided by SIB;
- The award recipient will be admitted to an institution of higher learning;
- If admitted, a determination will be made that the award recipient is a resident for tuition purposes by the institution of higher education;
- The award recipient will be allowed to continue to attend the institution of higher education following admission;
- The award recipient will graduate from the institution of higher education; or
- The total balance in an Account will be sufficient to fully cover all qualified higher education expenses of attending an institution of higher education following admission.

General Legal Implications

- All scholarship awards and earnings are owned by the State of California (not the student), until the award recipient directs the scholarship funds to be paid directly to an eligible educational institution.
- The award recipient's right to claim a scholarship award or use it to pay qualified higher education expenses at the eligible educational institution he or she is attending cannot be transferred to anyone.
- Neither the scholarship award nor earnings will be considered an asset of the student's estate if he or she were to die.
- If used for qualified higher education expenses (except room and board expenses), the scholarship award (and any earnings) should not be considered taxable income to the beneficiary when deposited into the Account or when withdrawn.
- The scholarship award and earnings can only be used to pay qualified higher education expenses.

Loss of Scholarship Funds

- Scholarship funds can ONLY be used for qualified higher education expenses.
- The following circumstances will result in the forfeiture of scholarship funds in the Account if the award recipient:
 - a. Chooses not to attend an eligible educational institution.
 - b. Does not have qualified higher education expenses.
 - c. Dies.
 - d. Becomes disabled such that he or she cannot attend an eligible educational institution.
 - e. Reaches the age of 30 and unused funds remain in the Account.
 - f. Provides false or misleading information in claiming the award.
 - g. When requested, fails to provide documentation supporting the claim information provided to open the Account.
 - h. Was misidentified as being eligible to receive a scholarship award.
 - i. Has been determined by the State of California not to have been eligible for the award due to misidentification or if the test scores forming the basis of the award are invalidated.