



BACCALAUREATE EDUCATION SYSTEM TRUST
STATE OF TENNESSEE TREASURY DEPARTMENT
P.O. Box 198786
NASHVILLE, TENNESSEE 37219-8786
TOLL-FREE NUMBER: 1-888-486-BEST (2378)
IN NASHVILLE: 532-8056
treasury.tn.gov/best



REFUND REQUEST / CONTRACT TERMINATION

This form will be used for requests to terminate a prepaid tuition contract and apply for a refund of prepaid tuition units. If the refund recipient is the beneficiary, the refund cannot be paid until the beneficiary reaches age 20 and this form will not be accepted. Please complete all sections of this form including obtaining applicable signatures and notary seal and return to the address above.

SECTION 1: BENEFICIARY INFORMATION *(Please complete the following information for the beneficiary named on the contract.)*

Name _____ Contract # _____

Mailing Address _____ Social Security # _____

City, State, Zip Code _____ Home Phone () _____

SECTION 2: PURCHASER INFORMATION *(Please complete the following information for the purchaser named on the contract.)*

Name _____ Contract # _____

Mailing Address _____ Social Security # _____

City, State, Zip Code _____ Home Phone () _____

SECTION 3: GROUNDS FOR CONTRACT TERMINATION

Contract termination and subsequent refund of prepaid tuition units on account are only allowed by law under the following circumstances. Please check the applicable box for your situation.

- The beneficiary is 18 years of age, does not plan to attend an institution of higher education in the future and the refund recipient is the purchaser. (If the refund recipient is the beneficiary, this form will not be accepted until the beneficiary reaches age 20.)
- The beneficiary has completed the requirements for a degree that is less than a bachelor's degree at an institution of higher education and the beneficiary does not plan to pursue further education. A copy of the diploma, school transcript or certificate, which shows the name of school and date of graduation, must be attached.
- The beneficiary has completed the bachelor's degree requirements at an institution of higher education. A copy of the degree or school transcript, which shows the name of school and date of graduation, must be attached.
- The Prepaid Tuition account contains five tuition units or less and no tuition units have been purchased for the beneficiary's account for a period of at least three consecutive years.
- Death or permanent disability of the beneficiary. A copy of the certificate of death or supporting documentation of permanent disability from a health care professional must be attached.
- BEST Prepaid Program Termination

SECTION 4: AUTHORIZATION TO TERMINATE CONTRACT

The Refund Recipient must sign, date and have this form notarized. *(A copy of the BEST contract provisions sections for Contract Termination and Refunds is provided on page 2 of this request for your reference.)*

I understand that, upon contract termination, the Refund Recipient is responsible for any income taxes due on the appreciated value of tuition units refunded the year the refund is received. I further understand that contract termination is voluntary and that I have the option to leave these funds on account for possible use by the beneficiary for higher education at a later date or to transfer the units to a member of the same family as the beneficiary.

Refund Recipient's Signature: _____ Date: _____

SECTION 5: NOTARIZATION

State of _____ / County of _____

_____, Refund Recipient, personally appeared before me on this, the _____ day of _____, 20____, and made oath that he/she executed the foregoing.

(Notary Seal)

Notary's Signature _____

My Commission Expires _____

BEST CONTRACT PROVISION SECTION FOR CONTRACT TERMINATION

SECTION 10. CONTRACT TERMINATION AND REFUNDS

A. Contract Termination.

Except as provided in Section 10.C, Section 10.D and Section 11 of the Contract Provisions, the Contract may not be terminated for any reason except under one (1) of the following circumstances. A termination request must be made in writing by the Refund Recipient and filed with the Board. The request must be accompanied with documentation acceptable to the Board to substantiate the reason for Contract termination.

- 1. The Beneficiary has died or suffers from a Permanent Disability, as such term is defined in Section 2.J. of the Contract Provisions;
- 2. The Beneficiary is age eighteen (18) or older and has decided not to attend an Institution of Higher Education; (If the refund recipient is the beneficiary, a refund will not be considered until the beneficiary reaches age 20.)
- 3. The Beneficiary has completed the requirements for a degree that is less than a bachelor's degree at an Institution of Higher Education and the Beneficiary does not plan to pursue further education;
- 4. The Beneficiary has completed the bachelor's degree requirements at an Institution of Higher Education; or
- 5. The Beneficiary's Account contains five (5) Tuition Units or less and no Tuition Units have been purchased for the Beneficiary's Account for a period of at least three (3) consecutive years.

B. Refund Amount.

- 1. Death or Permanent Disability. In the event the Contract is terminated due to the death or Permanent Disability of the Beneficiary, the amount of the refund paid to the Refund Recipient shall be equal to the greater of the following:
 - a. One percent (1%) of the Weighted Average Tuition in the Academic Year the Contract is terminated, or if termination is due to death, in the Academic Year the death occurred, multiplied by the number of Tuition Units purchased and not used. Notwithstanding this Part, the refund payable on account of any tuition units that were purchased less than two (2) full years prior to the refund request shall equal the total purchase price paid for those units; or
 - b. The total purchase price of all Tuition Units purchased and not used.
- 2. Voluntary Reasons. In the event the Contract is terminated under any of the conditions described in Paragraphs 2-5 of Section 10.A. above, the amount of the refund paid to the Refund Recipient shall be equal to (i) the total purchase price of all Tuition Units purchased and not used, (ii) plus one hundred percent (100%) of the difference between said purchase price and one percent (1%) of the Weighted Average Tuition in the Academic Year the Contract is terminated, multiplied by the number of Tuition Units purchased and not used, (iii) minus any termination fee.

C. Fraud.

The Board may, at its sole discretion, terminate the Contract if the Beneficiary, the Purchaser, the Purchaser's Appointee, or the Beneficiary's Appointee knowingly makes any false statement, or falsifies or permits to be falsified any record or records of the BEST Program. The amount of the refund to which the Refund Recipient is entitled under this Paragraph C shall be equal to the total purchase price of all Tuition Units purchased and not used.

D. Inactivity.

If a period of ten (10) consecutive years passes with no activity in the Beneficiary's Account or with no correspondence from the Beneficiary, Purchaser or their respective Appointees, the Board shall report and deliver the amount of any refund payable under the Contract to the State Treasurer pursuant to the Uniform Disposition of Unclaimed Property Act, codified in T.C.A., Title 66, Chapter 29, Part 1. Prior to delivering the refund to the State Treasurer, the Board shall make reasonable efforts to locate the Purchaser, Beneficiary, and their respective Appointees. The refund shall be equal to the amount provided for in Section 10.B.2 above. The ten-year period shall not commence any earlier than the year the Beneficiary becomes eighteen (18) years of age, or the year the Contract was executed, whichever is later. Upon payment of the refund to the State Treasurer, the Board's obligations under the Contract shall cease.

E. Timing of Refund.

Any refund payable pursuant to this Section 10 shall be made in a lump sum payment to the Refund Recipient within sixty (60) days of the Board's receipt of a complete and substantiated request therefor. Provided, however, if the Refund Recipient is the Beneficiary, the refund shall not be paid until the Beneficiary reaches age twenty (20).

SECTION 2. DEFINITIONS

- G. "Member of the Family" means the brother, sister, half brother, half sister, legally adopted brother, legally adopted sister, first cousin, niece or nephew of the original Beneficiary, or such other person as may be defined as a "Member of the Family" under the sections of the Internal Revenue Code which are applicable to the BEST Program.
- J. "Permanent Disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. The Board must approve any finding of a permanent disability.