

Approval of Revisions to Regents' Policy P05.07

CURRENT LANGUAGE WITH TRACK CHANGES for PROPOSED LANGUAGE CHANGES

**P05.07.040. University of Alaska Postsecondary Education Savings Program: Introduction.**

The Education Trust of Alaska (the "Trust"), formerly the University of Alaska Savings Trust, was established by the ~~board~~ Board of Regents to facilitate administration of the University of Alaska Postsecondary Education Savings Program (the "College Savings Program"). The College Savings Program consists of the Advance College Tuition ("ACT") Savings Fund and the Alaska Higher Education Savings Trust, which were both ~~established in accordance with~~ through the Alaska College Savings Act, AS 14.40.802 – 14.40.817. The ~~College Savings Program in turn~~ Trust provides the basis for the related savings plans which may be authorized, from time to time, to further the purposes of the Trust and the College Savings Program. This policy provides for the administration, management, promotion, and marketing of the Trust and the College Savings Program.

(~~12-06-02~~ \_\_\_\_\_)

**P05.07.041. Purposes of the Trust and College Savings Program.**

The Trust and the College Savings Program are intended to:

- A. promote attendance at the university;
- B. reduce financial barriers to obtaining a postsecondary education;
- C. provide affordable access to a postsecondary education;
- D. encourage higher academic performance in grades 7 through 12, and enhance opportunities for students to complete their secondary and postsecondary education;
- E. encourage and help participants provide for the increasing cost of higher education;
- F. secure the payment of participant account balances and to secure the tuition value guarantee for ACT participants who attend the university.

(12-06-02)

**P05.07.042. Trust Responsibilities.**

- A. By establishing the Trust and adopting this policy, the board acknowledges and accepts, on behalf of the university, the fiduciary duties and responsibilities associated with the university serving as trustee. These duties and responsibilities are more fully described in the policies adopted ~~by~~ for the Education Trust of Alaska and the Declaration of Trust and its exhibits and attachments and include maintaining the Trust in compliance with Section 529 of the Internal Revenue Code of 1986, as amended. The Declaration of Trust and policies adopted for Education Trust of Alaska ~~is~~ are incorporated into this policy by this reference.

- ~~B. In accordance with the Declaration, the president is appointed Trust Administrator and delegated all powers and authority necessary and convenient to administer, operate, and manage the Trust and College Savings Program, including:~~
- ~~1. modifying, suspending or terminating, all or a portion of, the Trust and the College Savings Program;~~
  - ~~2. making final interpretations regarding the terms of the Trust and the College Savings Program;~~
  - ~~3. providing for the final administrative resolution of all disputes and claims by participants, contractors, and others arising out of the administration, operation, and management of the Trust and the College Savings Program;~~
  - ~~4. entering into contracts for program management services;~~
  - ~~5. further delegating such powers and authority as the president considers necessary or convenient to effectively administer, operate, and manage the Trust and the College Savings Program.~~
- ~~C. The Trust Administrator shall cause an annual report for each plan offered by the Education Trust of Alaska to be prepared and made available to all participants and prospective investors either by inclusion on the applicable website or direct mail to the address of record.~~
- ~~(09-18-07 \_\_\_\_\_)~~

**P05.07.043. Continuation of ACT Savings Fund.**

- A. The board authorizes the transfer of the ACT Savings Fund, including all participant accounts and administrative funds, to the Trust, to secure obligations to participants and to accomplish the purposes of the Trust and the College Savings Program.
- B. To the extent allowed by law:
1. all of the benefits, duties, and responsibilities under AS 14.40.802 shall apply to ACT participants and beneficiaries and
  2. the terms and conditions of the Trust and the College Savings Plan shall replace and supersede the terms and conditions of the former ACT Plan.

The transfer shall be effective on such date and in such manner as may be determined by the president.

(12-06-02)

**~~P05.07.044. Definitions for P05.07.040 – 05.07.044.~~**

~~In P05.07.040 – 05.07.044,~~

- ~~A. “ACT” means Advance College Tuition;~~
- ~~B. “College Savings Program” means the University of Alaska Postsecondary Education Savings Program;~~
- ~~C. “Declaration” means the Declaration of Trust and its exhibits and attachments; and~~
- ~~D. “the Trust” means the Education Trust of Alaska, formerly the University of Alaska Savings Trust.~~

~~(12-06-02)~~

PROPOSED FINAL LANGUAGE

**P05.07.040. University of Alaska Postsecondary Education Savings Program: Introduction.**

The Education Trust of Alaska (the “Trust”), formerly the University of Alaska Savings Trust, was established by the Board of Regents to facilitate administration of the University of Alaska Postsecondary Education Savings Program (the “College Savings Program”). The College Savings Program consists of the Advance College Tuition (“ACT”) Savings Fund and the Alaska Higher Education Savings Trust, which were established through the Alaska College Savings Act, AS 14.40.802 – 14.40.817. The Trust provides the basis for the related savings plans which may be authorized, from time to time, to further the purposes of the Trust and the College Savings Program. This policy provides for the administration, management, promotion, and marketing of the Trust and the College Savings Program.

( \_ \_ \_ )

**P05.07.041. Purposes of the Trust and College Savings Program.**

The Trust and the College Savings Program are intended to:

- A. promote attendance at the university;
- B. reduce financial barriers to obtaining a postsecondary education;
- C. provide affordable access to a postsecondary education;
- D. encourage higher academic performance in grades 7 through 12, and enhance opportunities for students to complete their secondary and postsecondary education;
- E. encourage and help participants provide for the increasing cost of higher education;
- F. secure the payment of participant account balances and to secure the tuition value guarantee for ACT participants who attend the university.

(12-06-02)

**P05.07.042. Trust Responsibilities.**

- A. By establishing the Trust and adopting this policy, the board acknowledges and accepts, on behalf of the university, the fiduciary duties and responsibilities associated with the university serving as trustee. These duties and responsibilities are more fully described in the policies adopted for the Education Trust of Alaska and the Declaration of Trust and its exhibits and attachments and include maintaining the Trust in compliance with Section 529 of the Internal Revenue Code of 1986, as amended. The Declaration of Trust and policies adopted for Education Trust of Alaska are incorporated into this policy by this reference.

( \_ \_ \_ )

**P05.07.043. Continuation of ACT Savings Fund.**

- A. The board authorizes the transfer of the ACT Savings Fund, including all participant accounts and administrative funds, to the Trust, to secure obligations to participants and to accomplish the purposes of the Trust and the College Savings Program.
- B. To the extent allowed by law:
  - 1. all of the benefits, duties, and responsibilities under AS 14.40.802 shall apply to ACT participants and beneficiaries and
  - 2. the terms and conditions of the Trust and the College Savings Plan shall replace and supersede the terms and conditions of the former ACT Plan.

The transfer shall be effective on such date and in such manner as may be determined by the president.

(12-06-02)