



# NextGen College Investing Plan<sup>®</sup>

## 2010 NextGen<sup>®</sup> Annual Matching Grant Certification

### INSTRUCTIONS:

1. Complete this 2010 Certification to request an Annual Matching Grant for the contributions made in 2009 to your NextGen account(s). You may use one Certification for all your eligible NextGen accounts. You may copy this Certification to list additional NextGen accounts.
2. Mail your completed 2010 Certification to FAME so that it is received by FAME on or before June 30, 2010,

**Do not send copies of your tax return with the Certification.**

**MAILING ADDRESS**

FAME  
PO Box 949  
Augusta, ME 04332-0949

**FAX:** 207-623-0095

### 1. ACCOUNT INFORMATION

*You must provide the following information.*

**NEXTGEN ACCOUNT OWNER**

Last Name	First Name	MI
Mailing Address	Daytime Phone: <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span>	
City, State, Zip	Email: <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span>	

**NEXTGEN ACCOUNT BENEFICIARY**

Account Number:

Beneficiary Name:

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Account Number:

Beneficiary Name:

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Account Number:

Beneficiary Name:

**NEXTGEN ACCOUNT BENEFICIARY**

Account Number:

Beneficiary Name:

### 2. CERTIFICATION

***You must return this signed Certification to FAME before your grant request can be processed.***

***I hereby certify that:***

1. My family adjusted gross income in 2009 was \$75,000 or less as reported on my 2009 federal income tax return.
2. I am or the account beneficiary is a resident of the State of Maine as of the date of this Certification.
3. I have read and agree to the Annual Matching Grant Terms and Conditions.
4. **I understand** the Finance Authority of Maine (FAME) may require additional information from me to verify income eligibility and residency.
5. **I understand** that neither the State of Maine nor the Program Manager is responsible or liable for any grant decisions made by FAME.

**X** \_\_\_\_\_  
Signature of NextGen Account Owner

\_\_\_\_\_  
Date

INTERNAL USE ONLY

# 2010 NEXTGEN ANNUAL MATCHING GRANT TERMS AND CONDITIONS

**Eligibility Requirements.** To receive a NextGen Annual Matching Grant (Annual Grant) of 50% of those amounts contributed in 2009 up to a maximum grant of \$200 for any one beneficiary:

1. Either the account owner or the account beneficiary must be a Maine resident; and
2. The account owner's family adjusted gross income in 2009 was \$75,000 or less; and
3. The NextGen account received contributions of at least \$50 in calendar year 2009; and
4. The *2010 NextGen Annual Matching Grant Certification* (Grant Certification) is received by the Finance Authority of Maine (FAME) on or before **June 30, 2010**.

Family Adjusted Gross Income means the adjusted gross income as reported on the NextGen account owner's federal income tax return for the most recently completed tax year, or through such other evidence acceptable to FAME.

**Maine NextGen Account.** "Maine NextGen Account" means any NextGen account opened by a Participant (the account owner) who is a resident of Maine or for an account beneficiary who is a resident of Maine.

## Annual Grant, Generally.

1. A 2010 Annual Grant only matches contributions made to an eligible NextGen account between January 1, 2009 and December 31, 2009.
2. The NextGen account owner must sign the Grant Certification to request an Annual Grant and the completed Grant Certification must be received by FAME on or before June 30, 2010, 5:00 PM, EST.
3. A NextGen account or account beneficiary may not receive a NextGen Initial Matching Grant and an Annual Grant in the same year.
4. An eligible beneficiary can receive only one Annual Grant. In the event that two or more NextGen accounts for the same beneficiary are eligible to receive an Annual Grant, the Annual Grant will be awarded to the NextGen account of the first eligible NextGen account owner to apply for the Annual Grant in 2010. If more than one Grant Certification is received on the same day, the Annual Grant will be awarded at the discretion of FAME.
5. Initial Matching Grant awards, First Step Grant awards and Harold Alfond College Challenge Grant awards, including any earnings on grant funds, are not considered when determining eligibility and calculating Annual Matching Grants.
6. All Annual Grants allocated to the NextGen account will remain allocated to that NextGen account subject to Section 7 below.
7. A NextGen account will not be eligible to retain grant funds in the following circumstances:
  - a. the NextGen account is closed; or
  - b. the amount remaining in the NextGen account after the NextGen account owner makes a nonqualified withdrawal is less than the amount which had been matched; or
  - c. the NextGen account is rolled over to another beneficiary; or
  - d. the NextGen account owner makes a lifetime transfer of the NextGen account to anyone other than the account beneficiary.

**Investment of Grant Funds.** All grant funds are invested in a NextGen portfolio at the discretion of FAME. Neither the NextGen account owner nor account beneficiary can direct the investment of grant funds. It may take up to 120 days after FAME receives the Grant Certification for grants to be credited to eligible NextGen accounts.

**Ownership of Funds.** Although allocated to a particular NextGen account, grant funds remain the property of FAME until withdrawn for qualified higher education expenses.

**Use of Grant Funds.** Grant funds, including any earnings on grant funds, will be fully used before other contributions to the NextGen account or earnings thereon, if any, are used for qualified higher education expenses. To use grant funds, the NextGen account owner must certify that such funds are being used for qualified higher education expenses on such form as required by FAME. If grant funds or earnings, if any, have been withdrawn prior to the determination that the withdrawal was fraudulent, FAME may offset the amount fraudulently obtained from any funds remaining in the NextGen account.

**Tax Consequences.** Annual Grants have been designed so that grants, including any earnings, used for certain qualified higher education expenses will be treated as a scholarship as defined by the Internal Revenue Code. Grants can be used for tuition, fees, certain room and board expenses, books, supplies and certain equipment. However, any portion of grants used as payment for room and board costs may be subject to federal and/or state income tax. Similarly, any portion of grant awards used to pay for qualified higher education expenses at schools not eligible for Title IV may not be eligible for federal and/or state tax-exempt treatment. Notwithstanding the design of the program, the Internal Revenue Service could take the position that grant awards are subject to federal income taxation in the year the grant is awarded or the year in which the funds are withdrawn. NextGen account owners and beneficiaries should consult their own tax advisor regarding the tax treatment of grant funds awarded.

**Verification.** The Grant Certification is the NextGen account owner's authorization for FAME to undertake at its discretion, investigation to verify that the NextGen account owner meets the program requirements. FAME reserves the right at all times to require evidence of eligibility to receive an Annual Grant and may conduct investigations to determine eligibility without obtaining additional consent from the NextGen account owner after an Annual Grant has been allocated to a NextGen account. In the event a subsequent investigation reveals that the Annual Grant was obtained through misrepresentation or fraud, FAME shall revoke the grant.

## Notice regarding future Annual Matching Grants:

The NextGen Annual Matching Grant Program will terminate on January 1, 2010. Annual Grants will no longer be available for contributions made in 2010 to Maine NextGen accounts.

## QUESTIONS?

Contact a FAME NextGen representative at  
[NextGen@FAMEmaine.com](mailto:NextGen@FAMEmaine.com) or call  
**1-800-228-3734.**



**NextGen is a Section 529 plan administered by the Finance Authority of Maine. Merrill Lynch, Pierce, Fenner & Smith Incorporated, a registered broker-dealer, member SIPC, is the program manager and underwriter.** Before investing you should carefully consider the investment objectives, charges, expenses and risks of investing in the NextGen Plan. You should also consider whether your or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's 529 plan. Request a Program Description from your Maine bank or financial advisor, or call FAME at 1-800-228-3734 and read it carefully.