



9800 Fredericksburg Road
San Antonio, Texas 78288

Reference: USAA 529 College Savings Plan — Matching Grant Program Information

Dear

We're pleased to honor the service of our U.S. military by supporting the education goals of their families with our USAA[®] Distinguished Valor Matching Grant Program. This Nevada program offers children under age 13 of active duty U.S. military and immediate family members of Purple Heart Recipients in either Operation Enduring Freedom or Operation Iraqi Freedom up to \$1,500 per each beneficiary on your USAA 529 College Savings Plan account.¹ Please read the enclosed Matching Grant Instructions for program details and instructions on how to apply.

We hope you take advantage of this program — the gift of education lasts a lifetime. If you have questions, please call us at 1-800-292-8825. Thank you for your service and the opportunity to serve you and your family.

Sincerely,

A handwritten signature in black ink that reads "Daniel McNamara".

Daniel McNamara
President
Investment Management Company

¹ The terms and conditions of the USAA[®] Distinguished Valor Matching Grant Program are described in detail in the USAA[®] Distinguished Valor Matching Grant Program Matching Grant Instructions and the Plan Description and Participation Agreement.



USAA® Distinguished Valor Matching Grant Program

Realizing the Education Dreams of Our Military

Matching Grant Instructions

The USAA® Distinguished Valor Matching Grant Program allows Nevada residents, who are saving for higher education with a USAA 529 College Savings Plan account, to be considered for a matching grant of up to a lifetime maximum of \$1,500 over a five-year period. The matching grant is based on contributions made to a USAA 529 College Savings Plan account owned by a Nevada resident who meets the eligibility requirements below. There is a limit of one matching grant account per designated beneficiary.

Please read these instructions carefully before completing the attached Distinguished Valor Matching Grant Program Application to make sure that you qualify and have the required documentation. Note that these instructions are subject to change at any time.

What you need to do:

- Read the following instructions to see if you meet the eligibility requirements.
- If you meet the eligibility requirements, complete and mail a Distinguished Valor Matching Grant Program Application for each designated beneficiary, together with a **copy** of one of the following supportive documents:

For Category A: Active Duty U.S. Military

- Current Active Duty Orders

For Category B: Purple Heart Recipients

- DD-214 (Discharge)
- DD-215 (Discharge Update)
- Service Records showing the award
- Military Orders of the award

Note: Do not send originals, because we will not return any documents to you.

- If you qualify for a matching grant, you will be notified in writing by the USAA 529 College Savings Plan.
- Make your contribution(s) to your USAA 529 College Savings Plan account no later than December 31 of each year that you are eligible to receive a matching grant in order to receive a matching grant for that calendar year. (If you don't have an existing plan, you must open a plan account for each beneficiary to be eligible for the matching grant.)

If you have questions about the Distinguished Valor Matching Grant Program, call **1-800-292-8825**, Monday - Friday from 7:30 a.m. to 8:00 p.m. CST and Saturday from 8:00 a.m. to 5:00 p.m. CST or visit www.usaa.com/matchinggrant.

Match Rate	Maximum Lifetime per Designated Beneficiary Matching Grant
\$1 for each \$1 contributed The monthly contributions must be a minimum of \$50 to qualify for a match.	\$1,500

See the **Plan Description and Participation Agreement of the USAA 529 College Savings Plan (Plan Description)** and any supplements distributed from time to time for details and rules regarding the Distinguished Valor Matching Grant Program.

Eligibility Requirements

If you have, or will be opening at the time of application, a USAA 529 College Savings Plan account, you may apply to the Distinguished Valor Matching Grant Program. To qualify for a matching grant, the following eligibility requirements must be met:

- **Application Process:** The USAA 529 College Savings Plan Account Owner must complete and return the Distinguished Valor Matching Grant Program Application and submit it together with the required documents.

Category A Applicants

With respect to a Category A applicant, the following requirements apply:

- **Residency:** The Account Owner or the designated beneficiary must be a Nevada resident at the time the USAA® Distinguished Valor Matching Grant Application is submitted.
- The Account Owner must serve currently on active duty in the U.S. military including the Active Reserves, or Nevada National Guard, and have an adjusted gross income for his or her household of less than \$75,000 for the tax year prior to the year in which the USAA® Distinguished Valor Matching Grant Application is submitted.

- The designated beneficiary must be a child of the Account Owner and the child must not have attained the age of 13 by December 31 of the year in which the USAA® Distinguished Valor Matching Grant Application is submitted.
- USAA reserves the right to ask for additional documentation, including, but not limited to, evidence of applicable military service and household adjusted gross income.

Category B Applicants

With respect to a Category B applicant, the following requirements apply:

- **Residency:** The Account Owner or the designated beneficiary must be a Nevada resident at the time the USAA® Distinguished Valor Matching Grant Application is submitted.
- The Account Owner or the Account Owner's spouse must be the recipient of a Purple Heart for service in either Operation Enduring Freedom or Operation Iraqi Freedom (i.e., for service in combat operations beginning October 7, 2001, and ending August 31, 2010) ("Eligible Service Period").
- The designated beneficiary must be a child or the spouse of such Purple Heart recipient.
- The Account Owner is required to enclose with the USAA® Distinguished Valor Matching Grant Application documentation verifying that the Account Owner or the Account Owner's spouse is the recipient of a Purple Heart for service during the Eligible Service Period, as required in the USAA® Distinguished Valor Matching Grant Program Instructions. USAA reserves the right to ask for additional documentation.

Category A and B Applicants

The following is applicable to both Category A and Category B applicants unless otherwise noted below:

- Only one Matching Grant account may be opened for any designated beneficiary. Matching grants will be invested in eligible accounts each January following the year of the applicable Plan contribution.

Required Documents

Please enclose the applicable documentation (Only one copy of any of the following documents is required.):

For Category A: Active Duty U.S. Military

- Current Active Duty Orders

For Category B: Purple Heart Recipients

- DD-214 (Discharge)
- DD-215 (Discharge Update)
- Service Records showing the award
- Military Orders of the award

Note: Do not send originals, because we will not return any documents to you.

If the required attachments are not included, your matching grant application will be considered incomplete.

Matching Grant Amount

The amount of the matching grant is based on the amount contributed to the USAA 529 College Savings Plan account. The lifetime maximum matching grant amount available to any designated beneficiary is \$1,500 over a five-year period. Matching grants are dependent upon funding limitations, as overseen by the USAA 529 College Savings Plan, and there is no guarantee of the continued operation of the Distinguished Valor Matching Grant Program.

How to Apply

The Account Owner must complete and submit a separate Distinguished Valor Matching Grant Program Application for each designated beneficiary (see **Required Documents** section).

Matching grant applications for consideration in the current year will be accepted if submitted in good order between **September 1 and December 15** only. Any Applications postmarked after December 15th will roll into next year's application period for Program consideration.

Account Owners submitting a Distinguished Valor Matching Grant Program Application between September 1 and December 15, which is approved by USAA, are eligible to receive matching funds for contributions to a USAA 529 College Savings Plan account made in the same calendar year and for the four following calendar years, up to a lifetime maximum of \$1,500 over the five-year period. For example, an Account Owner submitting a Distinguished Valor Matching Grant Application between September 1 and December 15, 2012, that is approved by USAA, is eligible to receive matching funds for contributions to a USAA 529 College Savings Plan account made from January 1, 2012, through December 31, 2016. Matching grants will be invested in eligible accounts each January.

The Account Owner must complete **Sections 1 - 4** and sign the Distinguished Valor Matching Grant Program Application. Mail it, including all required documents, to: **USAA 529 College Savings Plan, P.O. Box 55354, Boston, MA 02205-5354**. Your Application may be considered not in good order if it is incomplete, if it is not appropriately signed, or if the required documentation is not enclosed.

Matching Grant Approval Process

If your Distinguished Valor Matching Grant Program Application is approved, you (the Account Owner) will be notified in writing, and a separate matching grant account, registered in your name, will be set up for the designated beneficiary listed in the Distinguished Valor Matching Grant Program Application. Matching grant funds will be deposited to the matching grant account following approval of a Distinguished Valor Matching Grant Program Application on or before January 31 of each year for contributions made during the previous calendar year. Matching grants are subject to the availability of budgeted funds and matching grant funds will be awarded on a needs-based basis. The matching grant funds will be invested according to the allocation instructions on file for your USAA 529 College Savings Plan account at the time of the deposit.

If you are deemed ineligible and the Distinguished Valor Matching Grant Program Application is rejected, you will be notified in writing by the USAA 529 College Savings Plan.

Matching Grant Rules

The terms and availability of the Distinguished Valor Matching Grant Program are set forth in the Plan Description and subject to change.

The matching grant account will be linked to your USAA 529 College Savings Plan account and shall be governed by the terms and conditions of the Plan Description. The USAA 529 College Savings Plan shall retain control of the assets in the matching grant account until the Account Owner submits a request in good order for a qualified withdrawal payable to an eligible educational institution as defined in the Plan Description. These funds cannot be used for non-qualified withdrawals, or qualified withdrawals that are not payable to an eligible educational institution.

If the qualified withdrawal amount you request will cause your matching grant account to have a market value that falls below \$10.00, the pro-rated distribution amount will be adjusted so that your matching grant account is fully liquidated and the amount taken from your USAA 529 College Savings Plan account will be reduced accordingly. If the qualified withdrawal amount you request will result in a withdrawal from your matching grant account to be less than \$10.00, the pro-rated amount will be adjusted so that \$10.00 will be withdrawn from your matching grant account and the amount taken from your USAA 529 College Savings Plan account will decrease accordingly.

The Annual State Account Maintenance Fee and the USAA Minimum-balance Fee are not charged for matching grant accounts.

Use of Matching Grant Funds and Withdrawals from your Account

Qualified Withdrawals

Withdrawals from matching grant accounts must be made directly to eligible educational institutions upon receipt of a request for a qualified withdrawal from the Account Owner. Payments shall be applied solely toward any qualified higher education expenses, consistent with the provisions of Section 529 of the Internal Revenue Code. The Account Owner may request a qualified withdrawal online at www.usaa.com or by mailing a withdrawal request form to the USAA 529 College Savings Plan. Qualified withdrawals to eligible educational institutions generally will be taken proportionately from your USAA 529 College Savings Plan account and the related matching grant account. In the event you request a qualified withdrawal other than to an eligible educational institution (as defined in the Plan Description), the distribution will be taken solely from the USAA 529 College Savings Plan account.

Non-Qualified Withdrawals

- If you make a non-qualified withdrawal or roll over to another 529 plan resulting in a lower balance in your USAA 529 College Savings Plan account than the balance in the matching grant account, the funds in the matching grant account will be forfeited unless the balance in the USAA 529 College Savings Plan account is increased, as described in the bullets below.
- If you make a non-qualified withdrawal or roll over part of the balance of your USAA 529 College Savings Plan account to another 529 plan, resulting in the USAA 529 College Savings Plan account having a balance less than the amount in the matching grant account, you, the Account Owner, will have a period of eighteen (18) months to contribute to your USAA 529 College Savings Plan account to prevent forfeiture of all or part of the matching grant.
- If the USAA 529 College Savings Plan account balance is less than the matching grant account balance after the eighteen (18) month period, then the difference will be forfeited.
- If you make a qualified withdrawal resulting in the USAA 529 College Savings Plan account becoming completely liquidated and the matching grant account retains a balance, the funds in the matching grant account will not be forfeited. Under this circumstance, any request for withdrawal of the matching grant account must be made by submitting a withdrawal request form to the USAA 529 College Savings Plan.
- The matching grant program is designed so that the grant, together with any earnings used for qualified higher education expenses, will not be subject to federal income tax. It is possible that future changes in law may cause a matching grant to be taxable, or that the Internal Revenue Service may take the position that a matching grant is taxable, in the year the grant is awarded or distributed. You should consult your tax advisor for more information. The Account Owner is responsible for determining the effect of the matching grant account on the Account Owner's or the designated beneficiary's eligibility for public assistance programs.

Please note, Distinguished Valor Matching Grants are dependent upon funding limitations. For more information about the Distinguished Valor Matching Grant Program, please call 1-800-292-8825 to request a Distinguished Valor Matching Grant Program Application and Instructions, which contain important information about eligibility requirements as well as limitations.

Account Forfeiture

Match funding will be forfeited upon:

- Non-qualified withdrawal or rollover out, to the extent it brings the regular account balance below the matching grant account balance, the Account Owner will have 18 months to replenish the USAA 529 College Savings Plan account in order to prevent forfeiture of the matching grant account assets.
- Change of designated beneficiary only if the new designated beneficiary has already received a matching grant, or if the new designated beneficiary is not the Account Owner's child.
- Death of the designated beneficiary, unless the Account Owner changes the designated beneficiary to a member of the family (as defined in the Plan Description and Participation Agreement).
- Disability of the designated beneficiary and the designated beneficiary is unable to attend school, unless the Account Owner changes the designated beneficiary to a member of the family (as defined in the Plan Description and Participation Agreement).

Consider the investment objectives, risks, charges and expenses of the USAA 529 College Savings Plan (Plan) carefully before investing. Call 1-800-292-8825 to request a Plan Description and Participation Agreement containing this and other information about the Plan. Read it carefully before investing. If you or the beneficiary are not residents of the State of Nevada, consider before investing whether your or the beneficiary's home state offers a 529 plan that provides its taxpayers with state tax and other benefits not available through this Plan. Please consult your tax adviser.



USAA® Distinguished Valor Matching Grant Program Matching Grant Program Application

Applications will be accepted beginning September 1, 2012 and must be postmarked by December 15, 2012.

Before completing this Distinguished Valor Matching Grant Program Application, read the enclosed instructions and eligibility requirements, along with the Plan Description and Participation Agreement, and any supplements distributed from time to time (together, the Plan Description and Participation Agreement).

- **Sections 1 - 4** must be completed by the USAA 529 College Savings Plan Account Owner, who must sign and date this application. You must also submit: A copy of one of the required documents listed in section 3 or 4.
- **Category A Applicants (Active Duty), please complete section 3. Category B Applicants, please complete section 4.**
- You must complete and submit a separate Distinguished Valor Matching Grant Program Application for each designated beneficiary on whose behalf you are requesting a matching grant.
- **Your application will be considered incomplete if it is not appropriately signed, or if the required documents are not enclosed.**

Mail this form along with required documentation to:

**USAA 529 College Savings Plan
P.O. Box 55354
Boston, MA 02205-5354**

For overnight delivery or registered mail, send to:

**USAA 529 College Savings Plan
95 Wells Ave., Suite 155
Newton, MA 02459-3204**

For questions about the USAA 529 College Savings Plan or the Distinguished Valor Matching Grant Program, call **1-800-292-8825**.

1. Account Information

The designated beneficiary's Social Security number or Taxpayer Identification number on your USAA 529 College Savings Plan account must match your designated beneficiary's Social Security number or Taxpayer Identification number you submit on this Distinguished Valor Matching Grant Program Application.

Note: A USAA 529 College Savings Plan Enrollment Application must accompany the Distinguished Valor Matching Grant Program Application if there is no current account.

USAA 529 College Savings Plan Account Number (from your Statement)

Account Owner First Name

MI

Last Name

Physical Address (P.O. Box or private mailbox cannot be accepted.)

City

State

Zip

Social Security Number

or Taxpayer Identification Number

Is the Account Owner a Resident of Nevada? Yes No

If no, please provide your Nevada address below.

For questions about the Distinguished Valor Matching Grant Program, call 1-800-292-8825,
Monday - Friday from 7:30 a.m. to 8:00 p.m. CST and Saturday from 8:00 a.m. to 5:00 p.m. CST or visit www.usaa.com/matchinggrant.



* ENROLL USAA *

2. Designated Beneficiary Information (required)

This information is required in order to establish your Distinguished Valor Matching Grant Program account.

Designated Beneficiary First Name _____ MI _____ Last Name _____

Social Security Number _____

Date of Birth (mm - dd - yyyy) _____

Is Designated Beneficiary a Resident of Nevada? Yes No

If no, please provide Designated Beneficiary's Nevada address below.

Physical Address (P.O. Box or private mailbox cannot be accepted.) _____

City _____ State _____ Zip _____

Relationship to Account Owner _____

3. Category A Applicants – Active Duty Information**Branch of Active Duty Service**

Please select branch of service:

- Army Airforce
 Navy Coast Guard
 Marine Corps Nevada National Guard

Date entered active duty: _____

Please indicate the appropriate required documentation:

- Active Duty Orders

Is Designated Beneficiary a child of the account owner?

- Yes No

Will the Designated Beneficiary be under the age of 13 on December 31 of this year?

- Yes No

Is your household adjusted gross income less than \$75,000 for the prior tax year?

- Yes No

Note: Do not send originals, because we will not return any documents to you.

4. Category B Applicants - Purple Heart Information

Purple Heart Recipient First Name _____ MI _____ Last Name _____

Please check the appropriate eligible Operation below.

- Operation Enduring Freedom Operation Iraqi Freedom

Please indicate appropriate required documentation:

- Purple Heart Certificate DD-215 (Discharge Update) Military orders of the award
 DD-214 (Discharge) Service records showing the award

Note: Do not send originals, because we will not return any documents to you.

5. ACCOUNT AUTHORIZATION AND SIGNATURE (REQUIRED)

By signing below I certify that:

- I agree to the terms regarding the Distinguished Valor Matching Grant Program as described in the Distinguished Valor Matching Grant Program Instructions and the Plan Description and Participation Agreement.
- **I understand that the matching grant account and any applicable earnings are controlled by the USAA 529 College Savings Plan, until I submit a request in good order for a qualified withdrawal to an eligible educational institution as described in the Plan Description and Participation Agreement.**
- I certify that the information I have provided is true, complete, and accurate, and I consent to and authorize the use of my private data as described in the enclosed instructions.
- If I am submitting private data belonging to another individual, I certify that I am providing such private data with the knowledge and permission of such individuals.

Please Print Name

Date

X

Account Owner Signature

IMPORTANT INFORMATION: Read the Distinguished Valor Matching Grant Program Instructions carefully to determine the necessary documents that should accompany this application. This document will be considered not in good order if it is incomplete, it is not appropriately signed, or if the required copy of your Active Duty Orders or Purple Heart Certificate or required documentation is not enclosed.

FOR OFFICE USE ONLY:

Eligible

Not Eligible

Match Amount: _____

State Authorization: _____