

West Virginia Jumpstart Savings Program Account Disclosure Statement & Informational Booklet

January 2023



IMPORTANT NOTICE & DISCLAIMER

You should carefully read and understand this West Virginia Jumpstart Savings Account Disclosure Statement and Informational Booklet (this “Booklet”) before you open a Jumpstart Savings Account (“Account”) or otherwise participate in the Jumpstart Savings Program (the “Program”). This Booklet should be read in conjunction with the Participation Agreement for the West Virginia Jumpstart Savings Program which is attached to and incorporated into this Booklet as **Appendix A**. This Booklet includes important information and instructions for Jumpstart Savings Account Owners. You should retain this Booklet for your future reference.

You should also carefully read and understand United Bank’s Terms & Conditions before you open an Account. If your Program Application is approved, your Account will not be opened until you sign United Bank’s standard account agreement and agree to be bound by United Bank’s Terms & Conditions.

The information and statements in this Booklet should not be construed or relied upon as financial, tax, or legal advice. This Booklet should not be considered a recommendation or prediction regarding the success or appropriateness of any savings product or strategy. Savings products offered through the Program may not be appropriate for every individual. You should consult with your own qualified financial, legal, and/or tax professional prior to opening an Account or making any financial decision.

Account transactions or other Program participation may result in tax liability to you including, but not limited to, state or federal income tax, gift tax, and corporate or business tax liability. Program activity that may result in tax liability includes, but is not limited to, contributions to an Account (such as contributions by an Account Owner, matching contributions by an employer, and contributions by any other person or entity); a \$100 deposit into an Account as part of the Ignite Incentive Program; accrual of interest or earnings to an Account; rollover contributions to or from an Account; and distributions or withdrawals from an Account. This Booklet should not be relied upon for, or construed as, tax recommendations or advice. You should consult a qualified tax advisor before opening an Account or undertaking any Account transactions to determine federal and state tax liability that may result from said Account or Account transactions. You should also consult with a qualified tax advisor to determine how federal tax laws and the laws of West Virginia or your state of residence apply to your specific circumstances. Federal and state laws, regulations, and rules are subject to change and such change(s) could affect the tax treatment of your Account.

Nothing in the Jumpstart Savings Act, this Booklet, the Board’s rules, or the operating procedures adopted by the Board, creates any obligation of the State, the Board, or the Savings Account Manager to make any guarantee for the benefit of any Account Owner or Designated Beneficiary with respect to the return of principal, rate of interest, or other return on any other Account, or payment of interest or other return on any Account. Neither the Board, nor the Savings Account Manager, has a duty to perform any actions, other than those specified in this Booklet, the Participation Agreement, or United Bank’s Terms and Conditions.

When an eligible individual opens an Account, the Account Owner's legal and economic interest is in the Jumpstart Savings Account. All rights and obligations of the Account Owner will be the same rights and obligations that other customers of United Bank have as a result of opening FDIC-insured savings accounts with the Bank. No additional rights or obligations will be created by virtue of participation in the Program. No security is being offered by the Trust, Board, or the Savings Account Manager.

Neither the Program, the Trust, the Board, the Savings Account Manager, nor their agents, directors, employees, or representatives will have any responsibility or liability for the actions of the Account Owner or the Designated Beneficiary.

Links to any third-party websites are provided for informational purposes. No representation is made as to the accuracy of the information contained on any third-party websites. Website content and website addresses are subject to change and broken links.

The effective date of this Booklet is January 1, 2023. This Booklet is subject to future changes. If changes are made, an update to this Booklet will be made available explaining the changes. The information presented in this Booklet may only be updated by the Board.

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KEY TERMS

“Account” or “Jumpstart Savings Account” means a Jumpstart Savings Program Account, established pursuant to the Jumpstart Savings Act. So long as United Bank is the Savings Account Manager for the Jumpstart Savings Program, the term also includes the United Bank deposit product designated as the “WV Jumpstart Savings Account.”

“Account Owner” means the individual who establishes and owns an Account and who is authorized to receive distributions, designate a beneficiary, select investment options (if applicable), and be eligible to receive any and all necessary state or federal tax documentation, according to the Jumpstart Savings Act.

“Act” or “the Jumpstart Savings Act” refers to West Virginia Code §§18-30A-1, *et seq.*, and the corresponding tax provisions in West Virginia Code §11-21-12m, §11-21-25, and §11-24-10a.

“Advanced Career Education” or ACE means the same as that term is used in West Virginia Code §18-25-11.

“Application” or “Program Application” means the completed form and any accompanying information that an individual must submit to the Board for approval as a prerequisite of opening a Jumpstart Savings Account.

“Board” means the Board of Trustees of the West Virginia College and Jumpstart Savings Programs, established in West Virginia Code §18-30-4. The term “Board” also includes the West Virginia State Treasurer, the Savings Account Manager, or other designee when referring specifically to tasks and duties duly authorized and delegated by the Board. When referring to limitations on liability, responsibilities, or duties under the Participation Agreement or this Booklet, “Board” includes the members, agents, assigns, and designees of the Board.

“Booklet” or “this Booklet” refers to this West Virginia Jumpstart Savings Account Disclosure Statement and Informational Booklet and the information contained in all appendices or supplements to this Booklet.

“Cash” includes checks, money orders, wire transfers, or electronic funds transfers.

“Contribution” means any payment or deposit directly allocated to an Account or that is used to pay administrative or other fees associated with the Account according to the procedures established by the Board.

“Designated Beneficiary” means the individual designated as a beneficiary at the time an Account is established, or the individual designated as the beneficiary when the beneficiary is changed, according to the requirements of the Jumpstart Savings Act and the rules promulgated by the Board.

“EFT” means an electronic funds transfer effected through wire transfers, Automated Clearing House transfers, online transaction processing, payroll deductions, automatic contribution plans, or similar electronic methods.

“Federal adjusted gross income” means an individual’s federal adjusted gross income as defined in the laws of the United State Internal Revenue Code for the applicable taxable year.

“Jumpstart Savings Program” or “Program” means the Jumpstart Savings Program, established and authorized by the Jumpstart Savings Act.

“Jumpstart Savings Program Trust” or “Trust” means the Jumpstart Savings Program Trust created by the Jumpstart Savings Act in West Virginia Code §18-30A-8.

“Jumpstart Savings Website” “Program website” or “website” means the program website and customer portal provided by the Savings Account Manager where Account Owners can access and transact on their Accounts, as well as obtain program information, program Booklets, and program forms. This website location is www.wvjumpstart.com. A link to the customer portal provided by the Savings Account Manager is provided on the website or can be accessed at <https://www.bankwithunited.com>.

“Immediate family,” as used to describe an individual’s relationship to another individual, has the meaning provided in West Virginia Code §18-30A-3 and includes any of the following: the spouse of the Designated Beneficiary; a child of the Designated Beneficiary or a descendant of the Designated Beneficiary’s child; a brother, sister, stepbrother, or stepsister of the Designated Beneficiary; the father or mother of the Designated Beneficiary, or an ancestor of either; a first cousin of the Designated Beneficiary; a stepfather or stepmother of the Designated Beneficiary; a son or daughter of a brother or sister of the Designated Beneficiary; a brother or sister of the father or mother of the Designated Beneficiary; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the Designated Beneficiary; or the spouse of any individual described in this paragraph. *Please note:* any term set forth in this paragraph means and includes such term as established through a lawful adoption, including, but not limited to, adoptions of a child or children, or other individual, by an individual or individuals who are not the father, mother, or stepparent of the child or individual.

“Individual” means a natural person.

“Labor organization” means any organization, agency, association, union, or employee representation committee of any kind that exists, in whole or in part, to assist employees in negotiating with employers concerning grievances, labor disputes, wages, rates of pay, or other terms or conditions of employment.

“Non-qualified distribution” means any distribution of funds from an Account that is not a qualified distribution for the purposes of West Virginia Code §11-21-12m and §18-30A-11 and is, therefore, not eligible for the state tax benefits for Account distributions provided by the Jumpstart Savings Act.

“Participation Agreement” means the contract between an Account Owner and the Board, setting forth the terms and conditions under which the Account Owner participates in the program. The Participation Agreement is attached and incorporated into this Booklet as **Appendix A**.

“Person” includes an individual, a trust, estate, partnership, association, company, or corporation.

“Program Participant” means any individual, other than an Account Owner, participating in the Program or engaging in a transaction involving an Account including, but not limited to, a Designated Beneficiary, a person making a contribution to an Account, or an employer providing a matching contribution to an Account for which his or her employee is the Designated Beneficiary.

“Qualified distribution” means any distribution of funds from an Account, pursuant to a distribution request from the Account Owner, that is used to pay for qualified expenses.

“Qualified expenses” means an account distribution, or any amount thereof, expended by an account beneficiary in the taxable year of receipt of the distribution or the next succeeding taxable year that:

- (1) Is allowable as a federal personal income tax deduction pursuant to 26 U.S.C. § 162, as an ordinary and necessary business expense, and is incurred in carrying on a qualifying profession;
- (2) Is allowable as a federal personal income tax deduction pursuant to 26 U.S.C. § 195(b), as a business start-up expenditure, and is incurred in carrying on a qualifying profession; or
- (3) Is expended for goods, services, or other expenses that qualify for a federal personal income tax deduction for depreciation or amortization over time, pursuant to a provision of 26 U.S.C. § 161-199a and that are used to carry on a qualifying profession; or
- (4) Is not allowable as any one of the federal personal income tax deductions described in paragraphs (1) through (3) above and is expended for: (i) The purchase of tools, equipment, or supplies used exclusively in a qualifying profession; (ii) Costs to establish a business in this state to practice a qualifying profession; or (iii) Fees for required certification or licensure in a qualifying profession. However, due, fees, subscriptions, or any other payments to a labor organization are not qualified expenses.; and (iv) Is not reimbursed by the taxpayer’s employer.

“Qualifying profession” means an occupation, profession, or trade for which the designated beneficiary is required to:

- (1) Complete an apprenticeship program registered and certified with the United States Department of Labor, as provided in 29 U.S.C. § 50;

- (2) Complete an apprenticeship program required by any provision of this code or a legislative rule promulgated pursuant to this code;
- (3) Earn a license or certification from an Advanced Career Education (ACE) career center; or
- (4) Earn an associate degree or certification from a community and technical college or from a school or program, authorized by the West Virginia Council for Community or Technical College Education or a similar agency in another state, to award associates degrees or technical certifications;
- (5) Earn a license or certification from a career and technical education or vocational training program at a public secondary school; or
- (6) Complete any other apprenticeship or educational program consistent with the purposes of this article, as approved by the Board.

“Rollover contribution” means, for the purposes of West Virginia tax law only:

- 1) The transfer of all or part of a distribution from a SMART529 College Savings account into a Jumpstart Savings Account within thirty (30) days of receiving the SMART529 distribution; or
- 2) The transfer of all or part of a distribution from a Jumpstart Savings Account to a West Virginia ABLE account within thirty (30) days of receiving the Jumpstart distribution.

“Savings Account Manager” or “Jumpstart Savings Account Manager” means the entity the Board has selected and designated to create, provide, and maintain the FDIC-insured savings accounts as the exclusive underlying deposit product made available to prospective and existing Account Owners through the Program. When referring to limitations on liability, responsibilities, or duties under the Participation Agreement or this Booklet, “Savings Account Manager” includes the Savings Account Manager’s affiliates and agents. The Jumpstart Savings Account Manager is currently United Bank.

“SMART529” refers to the college savings program and plan established in West Virginia Code §§18-30-1, *et seq.*

“State Treasurer” or “Treasurer” means the West Virginia State Treasurer or his or her designee.

The “State” refers to the State of West Virginia and its agencies and instrumentalities.

“United Bank’s Terms & Conditions” refers to the one-page account agreement (colloquially known as a “signature card”) with United Bank, that each Account Owner must execute to open a FDIC-insured WV Jumpstart Savings Account with United Bank, and further refers to each document incorporated by reference into the one-page account agreement, including, but not limited to, United Bank’s terms and conditions booklet, United Bank’s TISA/Reg. DD disclosure,

United Bank's Electronic Funds Transfer Act disclosure, and United Bank's Gramm-Leach-Bliley Act disclosure.

"West Virginia ABLE" means the program and plan established in West Virginia Code §§16-48-1, *et seq.*

"West Virginia adjusted gross income" means the West Virginia adjusted gross income of a resident individual, as defined West Virginia Code §11-21-12 for the taxable year.

PURPOSE OF THIS BOOKLET

This Booklet is intended to provide key information related to the Jumpstart Savings Program and Jumpstart Savings Accounts and contains a general overview of West Virginia-specific tax and state benefits available to Program Participants.

Before any individual opens a Jumpstart Savings Account, the individual should carefully read and understand this Booklet. This Booklet is no substitute for financial, tax, or legal advice. Each individual should consult a qualified financial, tax, and/or legal professional to determine how applicable federal and state laws apply to the individual's specific circumstances prior to opening an Account or participating in the Program in any manner. Federal and state laws, regulations, and rules are subject to change and could affect the tax consequences of the Program and owning an Account.

Inappropriate and/or bad faith use of an Account in violation of the Jumpstart Savings Act or in contravention of the purposes thereof may subject an Account Owner to audit by the West Virginia State Tax Department and denial of state tax benefits. Inquiries regarding inappropriate and/or bad faith use of Account funds should be directed to the West Virginia State Tax Division (<https://tax.wv.gov>).

Once approved by the Board, individuals eligible to open an Account must agree to United Bank's Terms & Conditions by signing a United Bank deposit account agreement, which is often referred to as a "signature card." After a Program Application is approved by the Board, eligible individuals will be provided with United Bank's standard deposit account agreement and each document that comprises United Bank's Terms & Conditions. No Account will be opened for any individual who refuses to agree to United Bank's Terms & Conditions.

WHAT IS THE JUMPSTART SAVINGS PROGRAM?

*The Jumpstart Savings Program is a state-administered savings program created to help West Virginia taxpayers save money for future costs involved in the Account Owner or a Designated Beneficiary's pursuit of a qualifying occupation, profession, or trade, such as the cost of tools, equipment, and business start-up expenses. The Program is intended to allow Account Owners and Program Participants to claim certain state tax benefits for Account contributions and then later use those amounts for qualified expenses incurred in a qualifying profession that are currently deductible under federal law. For qualified expenses that are not federally deductible under current federal law, a state decreasing personal income tax modification is available. **Taken together, these tax benefits are intended to allow participants to contribute to a Jumpstart Savings Account tax-free on the state level (subject to the \$25,000 annual cap on the reducing personal income tax modification), enjoy account interest earnings that are tax-free on the state level, then later use the account funds and earnings on qualified expenses that are tax-free on the federal level based on pre-existing federal deductions. See [Summary of Federal and State Tax Considerations](#) below.***

The Program also provides a one-time \$100 Ignite Program Deposit grant to Accounts with Designated Beneficiaries meeting certain criteria and incentivizes employers to match their employees' Account contributions, also described in further detail below. The underlying deposit product made available to Account Owners through the Program is the "WV Jumpstart Savings Account" offered by the Program's Savings Account Manager, United Bank. In the Jumpstart Savings Act, the West Virginia Legislature cited to the importance of cultivating an environment in which West Virginia's tradespersons and entrepreneurs can be successful in their careers and remain in their home state. The Program is the first of its kind in the nation.

GOVERNING LAW

In 2021, the West Virginia Legislature adopted the Jumpstart Savings Act, codified at West Virginia Code §§18-30A-1, *et seq.*, which created the Jumpstart Savings Program. Additional legislation, adopted in February of 2022, placed the Program under the administration of the Board that governs West Virginia's SMART529 qualified tuition program, and redesignated the Board as the "Board of Trustees of the West Virginia College and Jumpstart Savings Programs." The Act authorizes the Board to implement and administer the Jumpstart Savings Program Trust and Program. Additional legislation was adopted in March 2023 retroactively effective on January 1, 2023. Among other things, the 2023 legislation amended the tax benefits available to Account Owners and updated important definitions in the Jumpstart Savings Act.

The Act authorizes the Board to adopt legislative rules governing Program administration, which were adopted by the Board in May of 2022 and were promulgated at West Virginia Code of State Rules §§112-20-1, *et seq.*, as emergency legislative rules. The procedural rules of the Board are promulgated at West Virginia Code of State Rules §§112-15-1, *et seq.* In addition to the Act and the rules adopted by the Board, the Jumpstart Savings Program and Accounts are subject to all applicable federal and state laws, regulations, and rules.

PROGRAM ADMINISTRATION AND OVERSIGHT

The Jumpstart Savings Act established the Jumpstart Savings Program Trust as a public instrumentality of the State. The Trust is authorized to issue interests in the Trust to eligible members of the public. As explained above, the Act provides that the Program and Trust will be administered by the Board. The State Treasurer serves as Chairman of the Board. The Treasurer also has a duty to staff the Board, as well as to take other steps to implement the Program. The Treasurer has broad statutory authority to take any action necessary to effectuate the Act.

The Board is authorized to enter into contracts for professional services needed to implement the Program through the use of financial organizations as account depositories and managers.

JUMPSTART SAVINGS ACCOUNT MANAGEMENT

The current Jumpstart Savings Account Manager is United Bank. The Board and United Bank have entered into a contract for United Bank to create, offer, and maintain the FDIC-insured savings accounts, a product designated by United Bank as the "WV Jumpstart Savings Account," that will serve as the exclusive underlying deposit product made available to Account Owners

through the Program. So long as United Bank is engaged by the Board to perform these services for the Program, United Bank is authorized to manage and administer Accounts according to the directives and procedures of the Board. **Following approval of a Program Application, eligible applicants will receive detailed instructions for opening and maintaining an Account with United Bank. Account Owners will be required to agree to United Bank's Terms and Conditions for WV Jumpstart Savings Accounts in order to open an Account.** When taking duly authorized actions in its capacity as the Savings Account Manager, United Bank has no liability to any Account Owner or Program Participant.

FEES, EXPENSES, AND RATE

United Bank's Terms and Conditions set forth all current fees and costs to Account Owners as well as the current interest rate that will accrue to each Account. The current fees, costs, and rates are as found in **Appendix B**, but are subject to change.

ACCOUNT OWNER ELIGIBILITY

Any individual who is legally able to contract under applicable law is eligible to establish an Account. An Account Owner must be an individual and may not be a business, corporation, enterprise, or other entity that is not a natural person.

OPENING A JUMPSTART SAVINGS ACCOUNT

To open a Jumpstart Savings Account, an individual must submit a Program Application to the Board. The Application will require the individual to provide specific information to the Board including, but not limited to, the identity of the Designated Beneficiary, and to verify the individual's Account eligibility and identity. An individual may access and submit the Application at <https://jumpstartwv.com/app>.

Following the Board's approval of an Application, the approved individual must follow all Account opening procedures communicated to the individual by the Board or the Savings Account Manager including, but not limited to, making any minimum opening deposit to the Account of as may be required by the Board. Each eligible individual will be required to agree to United Bank's Terms & Conditions in order to open an Account. It is the sole responsibility of each eligible individual to perform all steps and banking transactions necessary to complete the Account opening process with the Savings Account Manager after the approval of his or her Application by the Board.

The Board may refuse an individual's Application or rescind approval of an individual's Application for the following reasons:

- 1) The individual is not an eligible Account Owner;
- 2) The individual has not provided all information required in the Program Application;
- 3) The individual has failed to execute the Participation Agreement, or any other instrument required by the Board or the Savings Account Manager;

- 4) The individual has failed to complete the any minimum Account opening deposit as may be required by the Board;
- 5) The individual's execution of the Participation Agreement or opening of an Account violates any federal or state law; or
- 6) The Board has determined that the applicant has intentionally provided false information to the Board or to the Savings Account Manager or has violated any applicable federal or state law, regulation, or rule related to a savings or investment program currently or previously administered by the State.

An Account is not officially opened until an eligible individual has completed all steps required by the Board and the Savings Account Manager for opening an Account including, but not limited to, successfully completing the Application process; executing the Participation Agreement and all other required agreements or documents; agreeing to United Bank's Terms & Conditions; and providing all required information to the Board or the Savings Account Manager.

DESIGNATED BENEFICIARY

Any individual, regardless of age, residency, or relationship to the Account Owner, including the Account Owner himself or herself, may be an Account's Designated Beneficiary. There may only be one Designated Beneficiary per Account and any number of Accounts may be opened for a single Designated Beneficiary. However, an Account Owner may not be the Account Owner for multiple Accounts with the same Designated Beneficiary. A Designated Beneficiary must be an individual and may not be a business, corporation, enterprise, or other entity that is not a natural person.

An Account Owner may change the Designated Beneficiary of the Account at any time. Only an Account Owner may change the Designated Beneficiary of an Account. The new Designated Beneficiary must be a member of the prior Designated Beneficiary's immediate family. To change a Designated Beneficiary, the Account Owner must provide a request to the Board. Upon receipt of the request and any additional information required by the Board, the Board will register the information regarding the newly Designated Beneficiary in the records of the Program. The change of the Designated Beneficiary will be effective upon registration. For West Virginia state law purposes, a change in the Designated Beneficiary of a Jumpstart Savings Account is not an Account distribution so long as the new Designated Beneficiary is a member of the prior Designated Beneficiary's immediate family. Instructions and forms for changing an Account's Designated Beneficiary are available at <https://wvjumpstart.com/Tools-Resources/Forms>.

JUMPSTART SAVINGS ACCOUNT CONTRIBUTIONS/DEPOSITS

Any person may contribute to a Jumpstart Savings Account, subject to applicable federal and state laws, regulations, and rules. Contributions must be made in cash as defined in this document and in United States dollars. A monthly automatic contribution plan via electronic funds transfer is also accepted as described in United Bank's Terms & Conditions. Detailed information on procedures required by the Savings Account Manager for depositing contributions to a Jumpstart Savings Account are set forth in United Bank's Terms & Conditions.

MAINTAINING AND MONITORING AN ACCOUNT

The duties and responsibilities of an Account Owner to maintain his or her Account are set forth in United Bank's Terms & Conditions.

The United Bank customer portal provides Account Owners with access to monthly, quarterly, and/or annual Account statements. Additionally, paper statements may be available for receipt through the USPS within 30 days of the end of the period to which the statement relates. The United Bank customer portal is available at <https://www.bankwithunited.com>.

ACCOUNT TERMINATION

An Account Owner may terminate an Account at any time by following the closing procedures of the Savings Account Manager. Account Owners should contact the Savings Account Manager to terminate their Accounts.

Account Termination will also occur if an Account has a \$0 (zero) balance for 60 continuous days in accordance with United Bank's policies and procedures.

If the Board receives credible evidence that an Account Owner or a Designated Beneficiary has provided false or misleading information to the Board, or to a state or federal tax authority related to an Account, the Board may suspend the Account pending an investigation. The Board will consider any credible information provided by the Account Owner to refute the evidence leading to suspension of the Account. The Board will provide written notice of any suspension and the reason for the suspension to an Account Owner as soon as reasonably practicable.

If the Board receives credible evidence that an Account has been used in connection with fraud or inappropriate activity, or in connection with a violation of any laws or any rules or standards of the Program, the Board may suspend such Account pending an investigation. The Board will consider any credible information provided by the Account Owner to refute the evidence leading to suspension of the Account. The Board will provide written notice of any suspension and the reason for the suspension to an Account Owner as soon as reasonably practicable.

If the Board determines that an Account Owner or Designated Beneficiary has provided false or misleading information to the Board, or to a state or federal tax authority related to an Account, or if the Board determines that an Account has been used in connection with fraud or inappropriate activity, or in connection with a violation of any laws or any rules or standards of the Program, the Board may terminate the Account. The Board will provide written notice of the decision to terminate an Account to the Account Owner as soon as reasonably practicable.

The Board may terminate an Account in accordance with this Booklet and the Participation Agreement if the Account balance drops below a point at which there are insufficient funds to cover appropriate Account fees or if the balance drops below a minimum amount established by the Board. The Board may also terminate an Account that is dormant for three (3) years, meaning

the Account has had no contributions or distributions and the Account Owner has had no communication with the Savings Account Manager about the Account for three (3) years.

If the Board or the Savings Account Manager determines that an Account was mistakenly or erroneously opened and/or that an Account Owner is not actually eligible to own an Account, the Board may terminate the Account. The Board will provide written notice of the decision to terminate an Account to the Account Owner as soon as reasonably practicable.

Upon termination of an Account, the remaining Account balance will be distributed to the Account Owner, and the distributions including, but not limited to, funds from previous contributions and earnings to the Account, may be subject to federal and state income taxation according to applicable laws. Neither the Board nor the Savings Account Manager will be subject to liability for any federal or state income taxes or penalties imposed on an Account Owner as a result of an Account's termination or any other distribution.

The Board may develop standards and procedures to limit the number of Accounts an Account Owner may open or the number of times an Account Owner or beneficiary may participate in any Program benefit or incentive in order to prevent duplication of Program benefits, misuse of funds, or fraud.

KEY RISKS OF OWNING A JUMPSTART SAVINGS ACCOUNT

As with any financial product, there are risks involved in owning a Jumpstart Savings Account. The following information is not an exhaustive list of all risks of being an Account Owner or Program Participant but is intended to provide a general overview of some of the key risks that Account Owners or Program Participants should consider prior to opening an Account or participating in the Program.

No other insurance or guarantees. Each Account is insured by the FDIC, subject to the limitations described in the next paragraph. No other insurance is provided. An Account is not guaranteed or insured by any federal, state, or private entity including, without limitation, the Program, the Trust, the Board, the Savings Account Manager, the State of West Virginia, or their respective members, officials, officers, employees or agents.

Rate of Interest and monetary loss: With any savings account, there is a possibility that the rate of interest paid over any period of time will be less than the rate of increase in the costs of intended expenditures. Additionally, the value of a Jumpstart Savings Account may decrease, including principal an individual contributes to the Account. The Savings Account Manager maintains FDIC insurance protection for amounts contributed to a Jumpstart Savings Account, up to FDIC-permitted limits. Contributions to and earnings on a Jumpstart Savings Account are insured by the FDIC on a pass-through basis to each Account Owner in the same manner as other deposits held by a similarly situated customer of United Bank. FDIC insurance generally protects up to \$250,000 of an account holder's funds, which includes any amounts an Account Owner has in a Jumpstart Savings Account, taken together with other deposits the Account Owner holds in

the same ownership right and capacity at United Bank. For more information on FDIC insurance, visit www.fdic.gov.

Appropriateness of a Jumpstart Savings Account for an individual's situation: Neither the Board nor the Savings Account Manager makes any representation regarding the appropriateness of a Jumpstart Savings Account as a savings vehicle for any individual. Other types of investments and/or savings accounts may be more appropriate depending upon an individual's residence, financial status, tax situation, risk tolerance, age, growth preference, or liquidity needs. The fees, expenses, eligibility requirements, rates, tax consequences, and features of investment and/or savings account alternatives may differ from those in the Program. Compared to investment options, a savings account is a low-risk investment, but there is minimal interest earned on the assets in the account. Other types of investment or savings vehicles, standing alone or used in combination with the Program, may be a better alternative for certain individuals. Prior to opening an Account, an individual should consult with a qualified financial, tax, and/or legal professional.

Changes in the law: The Program is established pursuant to the Jumpstart Savings Act and its accompanying rules and applicable state tax law. The State of West Virginia could make changes to the Jumpstart Savings Act or its accompanying rules that could materially alter the Program, terminate the Program, or otherwise adversely affect the Program. Changes in federal law may also result in material changes to the Program regarding the Account, contributions, withdrawals, or interest accrued.

Changes in the Program: The Board may at any time modify any aspect of the Program or terminate the Program. Changes may include changes to fees and expenses or additional or different savings and/or investment options for Account Owners. The Board may make additional changes to the Program's structure, rules, and procedures. The Program will have a commercially reasonable period to implement any such changes. The Board will not consider any individual's personal financial situation when making such changes. An Account Owner should consult a qualified financial, tax, and/or legal professional for advice regarding how any such change will impact that individual's specific situation. Neither the Board nor the Savings Account Manager will provide any financial, tax, or legal advice regarding the impact that any such changes will have on any person.

Changes in fees, costs, and rates: The current fees and costs to the Account Owner, as well as the current interest rate that will accrue to an Account, are subject to change.

Changes in Savings Account Manager: The Board may change the Savings Account Manager in the future or add investment managers or additional savings account managers to the Program. If this happens (or even if it does not), Account Owners may experience a material change to certain terms and conditions of the Participation Agreement or this Booklet, including the fees charged under either the Participation Agreement or United Bank's Terms & Conditions. If United Bank ceases to be the Savings Account Manager, an Account Owner may have the option to open a new Jumpstart Savings Account in the Program with the successor Savings Account Manager in

order to make future contributions. After such changes, the account options or products offered in the Program may not correspond to those described in this Booklet.

Eligibility for government benefits: As with any income or other financial gain to an individual, earnings or benefits provided under the Program could affect the Account Owner's eligibility for state or federal benefits programs. Any transfer of a Jumpstart Savings Account distribution to a Designated Beneficiary or other individual could affect their eligibility for state or federal benefits. An individual should contact his or her state or federal benefits agency for more information.

Cyber Risks: Failures or breaches of the electronic systems of the Program, the Savings Account Manager, or other parties that provide services to the Program may cause disruptions and negatively impact Program operations, potentially resulting in financial losses to the Program and its Account Owners. While the Savings Account Manager has established business continuity plans and risk management systems seeking to address system breaches or failures (including plans and systems reasonably designed to protect Account Owners, Designated Beneficiaries, and personally identifiable information where applicable, there are inherent limitations in such plans and systems.

SUMMARY OF FEDERAL AND STATE TAX CONSIDERATIONS

The following information is meant to provide a general overview of common tax considerations for Account Owners and Program Participants. This information may not be relied upon as professional tax or legal advice. No West Virginia law or action of the Board can modify any individual's federal tax liability or obligations, and nothing in this Booklet should be construed to do so. The following information is no substitute for professional tax or legal advice. **All Account Owners and Program Participants should consult with a qualified tax professional and/or legal professional before opening an Account, completing any transaction involving an Account, or participating in the Program. Individuals and persons claiming tax modifications and/or credits pursuant to the Jumpstart Savings Act are responsible for their own tax reporting and for maintaining sufficient documentation of Program transactions for tax reporting and tax audit purposes.**

Inappropriate and/or bad faith use of an Account in violation of the Jumpstart Savings Act or in contravention of the purposes thereof may subject an Account Owner to audit by the West Virginia State Tax Department and denial of state tax benefits. Inquiries regarding inappropriate and/or bad faith use of Account funds should be directed to the West Virginia State Tax Division (<https://tax.wv.gov>).

Federal Tax and State Tax Considerations: Nothing in the Act, the rules promulgated by the Board, or this Booklet provides any federal tax benefit or state tax benefit in a state other than West Virginia. Any Account activity resulting in income, earnings, or a gift to an Account Owner or Program Participant, may result in federal or state tax liability. Generally, the interest that an Account Owner earns on an Account is considered taxable income under federal law. United Bank will provide the Account Owner an IRS Form 1099-INT.

West Virginia State Tax Considerations for West Virginia Taxpayers: The West Virginia Code makes the following state tax benefits available to Account Owners and Program Participants who are West Virginia taxpayers:

- *Contribution benefit:* A modification reducing West Virginia taxable income, in an amount equal to the taxpayer's contribution to an Account for the taxable year in which the contribution was made. A taxpayer may not claim this modification in an amount that exceeds \$25,000 in any given taxable year, but the taxpayer may elect to carry forward this modification over a period not to exceed five taxable years.
- *Distribution benefit:* A modification reducing West Virginia taxable income, in an amount equal to the portion of an Account distribution that the taxpayer used to pay for qualified expenses that the taxpayer cannot deduct from his or her federal adjusted gross income. **It is important that Account Owners remember that West Virginia adjusted gross income is calculated using federal adjusted gross income as a starting point. For this reason, amounts that are federally deducted cannot be deducted a second time on state tax returns—as those amounts have already been excluded from West Virginia adjusted gross income.**
 - *For example:* I contribute (or another person contributes) \$100 to my Jumpstart Savings Account and I claim (or the other person claims) a \$100 reducing modification on my West Virginia personal income tax returns that year for the contribution. The next year, I withdraw the \$100 from my Jumpstart Savings Account as an account distribution and spend it on qualified expenses that are also federally deductible as ordinary and necessary business expenses. I then deduct the \$100 from my federal adjusted gross income on my federal personal income tax returns for the year in which I expended the funds. My federal adjusted gross income will then be the figure used as my West Virginia adjusted gross income for state personal income tax return purposes. I will not claim the state decreasing modification for the same \$100 on my state tax return that I deducted on my federal return, since the amount was already deducted from federal adjusted gross income and, therefore, is already excluded from my West Virginia adjusted gross income. However, the fact that my distribution was used for qualified expenses means that the amount is not considered taxable income to me for West Virginia personal income tax purposes in the year I withdrew the \$100 from the account, even if someone else (i.e. a parent) initially made the contribution to my account.

A taxpayer may not claim this modification in an amount that exceeds \$25,000 in any given taxable year and there is no carry forward permitted for this modification. For purposes of the distribution benefit, a taxpayer is the Account Owner authorized to receive distributions from the Account. It is important to remember that the distribution amount may only be claimed as a modification reducing West Virginia taxable income to the extent that the same amount is not already allowed as a federal tax deduction for the taxable year when

the distribution was made. For example, if a taxpayer expends an Account distribution to pay for tools and can claim the amount of that expenditure as a federal income tax deduction for “ordinary and necessary business expenses” in the tax year of the distribution, the taxpayer cannot also claim the modification reducing West Virginia taxable income described in this paragraph.

- *Rollover to ABLE benefit:* A modification reducing West Virginia taxable income, in an amount equal to the portion of a distribution from a Jumpstart Savings Account, distributed to the taxpayer in the taxable year, that the taxpayer deposits into a West Virginia ABLE Account within 30 days of receiving said distribution.
- *SMART529 rollover benefit:* A modification reducing West Virginia taxable income, in an amount equal to the portion of a distribution from a West Virginia SMART529 account, distributed to the taxpayer in the taxable year, that the taxpayer deposits into a Jumpstart Savings Account within 30 days of receiving the distribution.

West Virginia State Tax Considerations for distributions not used for qualified expenses: State law requires that as of January 1, 2023, any amount contributed to a Jumpstart Savings Account that is subsequently withdrawn from the account and not used for qualified expenses in the taxable year of the receipt of the distribution or the succeeding taxable year shall be added to the West Virginia adjusted gross income of the Account Owner, unless it has already been included in the Account Owner’s federal adjusted gross income for the taxable year.

- *For example:* I contribute (or another person contributes) \$100 to my Jumpstart Savings Account and I claim (or the other person claims) a \$100 reducing modification on my West Virginia personal income tax returns for that taxable year for the contribution. The next year, I withdraw the \$100 from my Jumpstart Savings Account as an account distribution and spend it on personal items – I do not spend the \$100 on qualified expenses. For the taxable year when I withdrew the money from my account, I will need to report the \$100 as income on my West Virginia personal income tax returns unless I report it as part of my personal income on my federal tax returns.

West Virginia State Tax Considerations for matching contributors: State law provides a nonrefundable employer state tax credit against either income tax or corporate net income tax in an amount equal to each matching contribution the employer makes directly into an Account for which his or her employee is the Account Owner and a West Virginia resident. The employer may claim the credit for matching contributions to more than one Account but may not claim more than \$5,000 per Account per taxable year. An employer may not claim the credit against more than one type of tax for a single contribution into a Jumpstart Savings Account. The credit may not be carried back or carried forward. Employers may not claim both the credit and a decreasing modification authorized by §11-21-12m for an amount contributed to an employee’s account. Employers considering making matching contributions should consult with a qualified tax and/or legal professional regarding federal tax and/or legal implications of such contributions, including

but not limited to any implications of the Employee Retirement Income Security Act of 1974 (ERISA). In order to claim the credit provided in §11-24-10a, an employer must complete the form available at <https://wvjumpstart.com/Tools-Resources/Forms> prior to making a matching contribution. An employer may not claim the credit for a matching contribution to an Account of which he or she is the Account Owner or Designated Beneficiary.

According to the Act, the tax modifications and credits described above are only permitted to the extent that the amount applied toward the modifications or credits is not already allowable as a deduction when arriving at the taxpayer's federal adjusted gross income for the taxable year. The tax modifications and credits described above are state tax benefits only, and in no way will diminish or otherwise impact any person's federal tax liability or tax liability in a state other than West Virginia.

ROLLOVER CONTRIBUTIONS

Any portion of a SMART529 distribution that is deposited into a Jumpstart Savings Account within 30 days of receipt of the SMART529 account distribution is a rollover contribution to the Jumpstart Savings Account and may be eligible for the state tax decreasing modification provided in West Virginia Code §11-21-12m(c). However, the SMART529 distribution may be subject to federal tax liability and penalties.

Any portion of a Jumpstart Savings Account distribution that is deposited into a West Virginia ABLE account within 30 days of receipt of the Jumpstart Savings Account distribution is a rollover contribution and may be eligible for the state tax decreasing modification provided in West Virginia Code §11-21-12m(c). However, the Jumpstart distribution may be subject to federal tax liability and penalties.

When making a rollover contribution, the Account Owner must complete the forms and make such disclosures of financial information as required by the Board. Instructions for making a rollover contribution are available at <https://wvjumpstart.com/Tools-Resources/Forms>.

Account Owners should consult with a qualified tax professional concerning any potential rollover of SMART529 funds into a Jumpstart Savings Account or Jumpstart Savings Account funds into a West Virginia ABLE account prior to initiating such a rollover.

According to the Act, the tax modifications described above are only permitted to the extent that the amount applied toward the modifications are not already allowable as a deduction when arriving at the taxpayer's federal adjusted gross income for the taxable year. The tax modifications described above are state tax benefits only, and in no way will diminish or otherwise impact any person's federal tax liability or tax liability in a state other than West Virginia.

MATCHING CONTRIBUTIONS

When making a matching contribution to qualify for the tax credit provided in West Virginia Code §11-21-25 or §11-24-10a, the contributing employer and the Account Owner receiving the matching contribution must submit all required information to the Board on a form provided by the Board available at <https://wvjumpstart.com/Tools-Resources/Forms> as a prerequisite to claiming the tax credit made available in West Virginia Code §11-24-10a. Employers should consult with a tax and/or legal professional concerning any potential tax implications or other legal implications of making a matching contribution to a Jumpstart Savings Account, including but not limited to any implications of the Employee Retirement Income Security Act of 1974 (ERISA). Additional information on matching contributions is available at <https://code.wvlegislature.gov/11-21-25>.

According to the Act, the tax credits described above are only permitted to the extent that the amount applied toward the credit is not already allowable as a deduction when arriving at the taxpayer's federal adjusted gross income for the taxable year. The tax credits described above are state tax benefits only, and in no way will diminish or otherwise impact any person's federal tax liability or tax liability in a state other than West Virginia.

IGNITE INCENTIVE PROGRAM

The Ignite Incentive Program is an incentive program administered by the Treasurer. The Treasurer will deposit \$100 from the College and Jumpstart Savings Administrative Account into a newly opened Jumpstart Savings Account if the Designated Beneficiary is a resident of West Virginia, and either of the following criteria are met:

- 1) The Account is opened when the Designated Beneficiary is under 18 years of age; or
- 2) The Account is opened within the 180 days following the date of the Designated Beneficiary's enrollment in an apprenticeship, training, or educational programs described in the definition of "qualifying profession" provided above.

Additionally, any minimum deposit required by the Board must be made to the account within 30 days of the account's opening. If the Designated Beneficiary of an Account is under 18 years of age when the Account is opened, the deposit will automatically be made to the Account. Otherwise, to qualify for the \$100 deposit described in this section, the Account Owner must apply for the deposit in the manner prescribed by the Board. An individual may be the Designated Beneficiary for an Account that receives the \$100 deposit described in this section only one time during said individual's lifetime, regardless of the number of Accounts for which an individual is named as Designated Beneficiary.

ACCOUNT DISTRIBUTIONS

Only the Account Owner may authorize and receive an Account distribution (whether for a qualified expense, a non-qualified expense, or otherwise) from an Account. The Designated Beneficiary may not authorize or directly receive a distribution from the Account unless he or she is also the Account Owner. An Account Owner may receive a distribution of funds by withdrawing funds from his or her Account according to the procedures set forth in United Bank's Terms & Conditions. A change in the Designated Beneficiary of a Jumpstart Savings Account is not considered to be a distribution under state law if the new Designated Beneficiary is a member of the prior Designated Beneficiary's immediate family. The amount of any distribution that is used to pay for a qualified expense of the Account's Designated Beneficiary determines the tax treatment of the distribution for West Virginia personal income tax purposes, as explained in the [Summary of Federal and State Tax Considerations](#) above. The Account Owner is responsible for all tax reporting required to claim state tax benefits and for maintaining all records demonstrating that expenditures of distribution funds qualify for state tax benefits, including but not limited to itemized records of qualified expenses.

QUALIFIED EXPENSES

Account Owners and Program Participants should carefully review the definition of ["qualifying profession" provided in this Booklet](#), as qualified expenses can *only* be incurred in a qualifying profession. The amount of any distribution that is used to pay for a qualified expense of the Account's Designated Beneficiary determines the tax treatment of the distribution for West Virginia personal income tax purposes, as explained in the [Summary of Federal and State Tax Considerations](#) above.

Qualified Expenses include any account distribution, or any amount thereof, expended by an account beneficiary in the taxable year of receipt of the distribution or the next succeeding taxable year that:

- Is allowable as a federal personal income tax deduction pursuant to 26 U.S.C. §162, as an ordinary and necessary business expense, and is incurred in carrying on a qualifying profession. For more information on federal deductions for ordinary and necessary business expenses, see [IRS Publication 535](#).
- Is allowable as a federal personal income tax deduction pursuant to 26 U.S.C. § 195(b), as a business start-up expenditure, and is incurred in carrying on a qualifying profession. For more information on these federally deductible expenses, see [IRS Publication 535](#).
- Is expended for goods, services, or other expenses that qualify for a federal personal income tax deduction for depreciation or amortization over time, pursuant to a provision of 26 U.S.C. § 161-199a and that are used to carry on a qualifying profession. For more information on these federally deductible expenses, see [IRS Publication 535](#).

- Is not allowable as any one of the federal personal income tax deductions described in paragraphs (A) through (C) of this subdivision, is not reimbursed by the employer, and is expended for:

- The purchase of tools, equipment, or supplies by the Designated Beneficiary to be used exclusively in a qualifying occupation, profession, or trade.

Please note: The types of tools, equipment, or supplies will vary depending on the qualifying occupation, profession, or trade of the Designated Beneficiary.

Examples of purchases that could be qualified expenses include but are not limited to: The purchase of hammers; wrenches; saws; screwdrivers; air compressors; concrete mixers; nail guns; or other necessary tools, equipment, or supplies to be used exclusively in a qualifying occupation, profession, or trade. Vehicles that are used exclusively in the qualifying occupation, profession, or trade are considered to be equipment.

- Fees for required certification or licensure for the Designated Beneficiary to practice a qualifying occupation, profession, or trade in West Virginia.

Please note: The types of certifications and licensures to practice a qualifying occupation, profession, or trade will vary depending on the qualifying occupation, profession, or trade of the Designated Beneficiary.

Examples of such fees that could be qualified expenses include but are not limited to: Fees for Occupational Safety and Health Administration (OSHA) certifications; a Commercial Driver's License (CDL); or a Cardiopulmonary Resuscitation (CPR) certification necessary for a qualifying occupation, profession, or trade.

- Costs incurred by the Designated Beneficiary that are necessary to establish a business in West Virginia in which the Beneficiary will practice his or her qualifying occupation, profession, or trade, when the costs are exclusively incurred and paid for the purpose of establishing and operating such business.

Please note: The types of costs to establish a business will vary depending on the qualifying occupation, profession, or trade.

Examples of costs that could be qualified expenses include but are not limited to: The cost of office space; insurance; fees for legal, professional, and accounting services; inventory; advertising and marketing materials; employee salaries; or other necessary costs to establish a business in West Virginia in which the Designated Beneficiary will practice a qualifying occupation, profession, or trade.

An Account Owner is solely responsible for maintaining documentation of qualified expenses that will be needed to comply with state tax reporting requirements or in the case of a state tax audit. The Board will not collect or maintain documentation of an Account Owner's expenditures

of funds distributed to the Account Owner from an Account. The Board may request information on the use of distribution funds for the purpose of collecting Program data.

A distribution of funds from an Account for any use other than qualified expenses of the Designated Beneficiary constitutes a non-qualified distribution, is not eligible for the state tax benefits provided in the Jumpstart Savings Act and will be treated as income to the Account Owner unless reported as federal personal income for the taxable year. Any expense that does not meet the definition of a qualified expense under the Jumpstart Savings Act is a non-qualified expense.

Examples of non-qualified expenses include, but are not limited to: Dues, fees, subscriptions, or any other payments to a labor organization; bad debt expenses; campaign donations; lobbying expenses; payment of federal or state property, income, or corporate taxes; payment of civil or criminal fines; the purchase of tools, equipment, or supplies for personal use; or costs to establish a business with its principal place of business located outside of the State when those costs are not federally deductible.

PROGRAM PRIVACY POLICY

Account information, including, but not limited to the names, addresses, telephone numbers, and personal identification information of Account Owners, Designated Beneficiaries, and other Program Participants, as well as Account transactional information, will be maintained as confidential and may be disclosed only as needed to administer the program consistent with the Jumpstart Savings Act or as otherwise permitted by applicable state and federal laws. Account information may also be disclosed if the individual providing the information, or who is the subject of the information, executes and delivers to the Board his or her written consent to disclosure. As stated in the Participation Agreement, the Board may share information regarding Account transactional information and Account Owner identity with the West Virginia State Tax Department or other agencies to facilitate the State's enforcement of state tax law, including but not limited to the tax provisions in the Act. The Board and the Savings Account Manager have policies and protections in place reasonably designed to protect personally identifiable information related to Accounts.

The Savings Account Manager's obligations with respect to consumer information are governed by the Gramm Leach Bliley Act, as provided in United Bank's Terms and Conditions.

OTHER CONSIDERATIONS

Trust and Trust interests: The Jumpstart Savings Program Trust is a public instrumentality of the State. All interests issued by said Trust constitute interests in the Trust and will be made available to eligible members of the public. Neither the Jumpstart Savings Program nor the Trust is registered with Securities Exchange Commission or the West Virginia Securities Commission.

Protection from creditors under West Virginia law: Money in the Jumpstart Savings Trust and Trust Fund is exempt from West Virginia creditor processes and is not subject to attachment, garnishment, or other process under West Virginia law; is not available as security or collateral for

any loan, or otherwise subject to alienation, sale, transfer, assignment, pledge, encumbrance, or charge under West Virginia law; and is not subject to seizure, taking, appropriation, or application by any legal or equitable process or operation of West Virginia law to pay any debt or liability of any Account Owner, Designated Beneficiary, or successor in interest.

AUDITS, FINANCIAL STATEMENTS, AND REPORTS

The Program and its Accounts, including the Jumpstart Savings Trust Fund and Expense Fund, are subject to an annual external audit by an accounting firm, selected by the Board, of which all members or partners assigned to head the audit are members of the American Institute of Certified Public Accountants.

The Board will prepare and provide an annual summary of information on the financial condition of the Jumpstart Savings Trust Fund and College and Jumpstart Savings Administrative Account and publish said summary on the Program website. The Board will also prepare, or have prepared, a quarterly report on the status of the Program for the West Virginia Legislature's Joint Committee on Government and Finance and publish said report on the Program website.

COMPLAINT AND DISPUTE RESOLUTION

Should a complaint or dispute related to participation in the Program arise, the Account Owner or Program Participant should first contact the Board to attempt resolution within 60 days of the complaint or dispute arising. The Account Owner or Program Participant and the Board should first attempt to resolve the dispute through direct discussions in the spirit of cooperation. If the dispute is not resolved through direct discussions, a person may appeal any action or decision of the Board according to the procedures in West Virginia Code of State Rules §112-15-11.

Disputes involving the Savings Account Manager are governed by a binding arbitration provision, which is a part of United Bank's Terms & Conditions.

CONTACT AND WEBSITE INFORMATION

For general questions regarding the Jumpstart Savings Program, such as Program eligibility or Program rules, visit <https://wvjumpstart.com/What-is-Jumpstart>, or contact wvjumpstart@wvsto.com

For specific questions regarding banking transactions or your Jumpstart Account at United visit <https://www.bankwithunited.com>

To apply for the Jumpstart Savings Program, visit <https://jumpstartwv.com/app>

To change your Designated Beneficiary, visit https://jumpstartwv.com/user_login

To login to your Jumpstart Savings Account to view information, make a deposit, withdrawal a contribution, or perform and banking transaction, visit <https://www.unitedbank.com>

To terminate/close your Jumpstart Savings Account, visit <https://www.bankwithunited.com>.

To view the Jumpstart Savings Program legislative rules, visit <https://code.wvlegislature.gov/18-30A-8>

To view the West Virginia College and Jumpstart Savings Board procedural rules and bylaws, visit <https://www.wvtreasury.com/Savings-Programs/SMART529-Jumpstart-Board>

To access information in federal tax benefits that are referenced in the definition of qualified expenses, visit [IRS Publication 535](#)

For a list of Frequently Asked Questions (FAQs), visit <https://wvjumpstart.com/Tools-Resources/FAQs>

To view Jumpstart Savings Program Booklets or reports, visit <https://wvjumpstart.com/>

WEST VIRGINIA JUMPSTART SAVINGS PROGRAM PARTICIPATION AGREEMENT

I am hereby entering into a legally binding Participation Agreement (“**Agreement**”) with the West Virginia Board of College and Jumpstart Savings Programs (“**the Board**”) in order to establish a West Virginia Jumpstart Savings Account (“**Account**”) made available by United Bank (“**Savings Account Manager**”) in the West Virginia Jumpstart Savings Program (“**the Program**”). I am legally competent and over the age of eighteen (18). I understand and agree that this Agreement is subject to the West Virginia Jumpstart Savings Program Account Disclosure Statement and Informational Booklet and all appendices thereto (the “**Booklet**”). I hereby certify that I have read and understand the Booklet. Further, I understand that all the information contained in the Program Application and the Booklet is part of this Agreement and any requirements, procedures, terms, and/or conditions therein are accepted by me. I understand that by submitting my Program Application, I have accepted the terms of the Booklet and this Agreement. The effective date of this Agreement is the date my Program Application is accepted by the Board.

I acknowledge and agree that I must enter into an account agreement with United Bank through which I agree to be bound by United Bank’s Terms & Conditions and that any refusal to be bound by United Bank’s Terms & Conditions will result in the revocation of this Agreement.

The definitions of words and terms set forth in the Booklet are incorporated into this Agreement and made part of this Agreement as if they were set forth in the body of this Agreement.

A. Agreements, Representations, and Warranties of the Account Owner

I hereby agree with, and represent and warrant to the Board, the Savings Account Manager, and their respective successors and assigns, as follows:

- 1) I have received, read, and I understand the Booklet as currently in effect. I have been given the opportunity to obtain answers to all of my questions concerning the Program, the Booklet, my Jumpstart Savings Account, and this Agreement. I acknowledge that there have been no representations or other information about the Program relied upon in entering into this Agreement, whether oral or written, other than as set forth in the Booklet and this Agreement.
- 2) I have accurately and truthfully completed my Program Application, and any other documentation that I have furnished or will subsequently furnish in connection with the opening or maintenance of, or any transactions involving, my Account. My Program Application and all information I have submitted or will subsequently submit to the Board or to the Savings Account Manager is accurate, truthful, and complete.
- 3) I understand that in order to complete the Account opening process and become an Account Owner in the Program, I will be required to take additional actions according to instructions that will be communicated to me by the Board and/or Savings Account Manager following the Board’s approval of my Program Application. I further

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- understand that I will be required to agree to United Bank's Terms & Conditions for a Jumpstart Savings Account following the Board's approval of my Program Application in order to open my Account with United Bank.
- 4) I understand that my Program Application may be refused if I am not an eligible Account Owner, I have not provided all the information required in the Program Application, I have failed to execute the Participation Agreement or any other document required by the Board or the Savings Account Manager, I have failed to complete the any minimum Account opening deposit as may be required by the Board, the execution of a Participation Agreement by me violates any federal or state law, I have intentionally provided false information to the Board or the Savings Account Manager, or I have violated any applicable state or federal law related to a savings or investment program currently or previously administered by the State of West Virginia.
 - 5) I understand that if I make false or erroneous statements in connection with opening a Jumpstart Savings Account or otherwise, the Board and/or the Savings Account Manager may take such action as the Board and/or the Savings Account Manager deem necessary or appropriate, including, without limitation, refusing my Program Application, requiring proof of my identity or eligibility, suspending my Account, or terminating my Account. I understand that I may face criminal or civil penalties for making false statements under applicable law.
 - 6) By opening a Jumpstart Savings Account, I agree to act as the Account Owner of the Account, and I agree to provide all information and forms required by the Board or the Savings Account Manager and to follow all procedures required by the Board or the Savings Account Manager.
 - 7) By opening a Jumpstart Savings Account, I consent to receive emails from the Board and the Savings Account Manager about the Program and my Account. I understand that I may unsubscribe from emails about the Program at any time. I also understand that even if I unsubscribe from emails about the Program, the Board and the Savings Account Manager reserve the right to send me administrative emails regarding my Account or as otherwise permitted by law.
 - 8) I recognize that opening a Jumpstart Savings Account involves certain risks, and I have taken into consideration and understand the related risk factors, including, but not limited to, those set forth in the Booklet.
 - 9) I agree that a single individual must be named as the Designated Beneficiary for the Account according to requirements of the Jumpstart Savings Act, the rules promulgated by the Board, and the Booklet. I understand that I may name myself as the Designated Beneficiary. I understand that only the Account Owner may change the Designated Beneficiary for an Account to a member of the previous Designated Beneficiary's

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immediate family. I agree to provide all information required by the Board if I wish to designate or change the Designated Beneficiary for my Account.

- 10) I understand and agree that, although each Account is insured by the FDIC subject to the limitations imposed by the FDIC, Accounts are not insured or otherwise guaranteed by or any other person or entity, including but not limited to, the State of West Virginia, the Board, or the Savings Account Manager. I understand and agree that there is no guarantee that my financial objectives will be achieved through the Program. I understand that none of the State of West Virginia, the Board, nor the Savings Account Manager makes any assurances that I will not suffer a loss of any amount invested in my Account or that I will receive a particular return of any amount in my Account.
- 11) I understand that nothing in this Agreement, the Program Application, or the Booklet is to be considered or interpreted to create or constitute a debt or liability of the State of West Virginia, the Board, the Savings Account Manager, or any third party.
- 12) I understand that United Bank will not necessarily continue in its role as Savings Account Manager for the entire period my Jumpstart Savings Account is open, and that the Board may retain additional and/or different Savings Account Manager(s) for the Program in the future. I acknowledge that if this occurs, the Program may experience a material change to the terms and conditions of the current Agreement, including to the fees, costs, and rates for my Account and the services provided.
- 13) I understand and agree that I have not been advised by the State of West Virginia, the Board, or the Savings Account Manager to contribute, or to refrain from contributing, to an Account. I understand that none of the State of West Virginia, the Board, nor the Savings Account Manager can provide me with any financial, tax, or legal advice.
- 14) I understand that the Board has no duty to me to perform any action other than those specified in this Agreement or the Booklet. The Board may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by me or another authorized person and may assume that the authority of any other authorized person continues in effect until the Board receives written notice to the contrary. The Board has no duty to determine or advise me of the financial, tax, legal or other consequences of my actions, or of its actions in following my directions, or of its failing to act in the absence of my directions. My Jumpstart Savings Account and this Agreement are subject to such rules as the Board may promulgate in accordance with West Virginia law. All decisions and interpretations by the Board in connection with the Program shall be final and binding on me and my successors.
- 15) I understand that the Savings Account Manager has no duty to perform any actions, other than those specified in the Booklet and this Agreement. The Savings Account Manager may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by me or another authorized

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person and may assume that the authority of any other authorized person continues in effect until the Savings Account Manager receives written notice to the contrary. The Savings Account Manager has no duty to determine or advise me of the financial, tax, legal, or other consequences of my actions, or of its actions in following my directions, or of its failing to act in the absence of my directions. I understand that so long as the Savings Account Manager is engaged by the Board to perform services for the Program, the Savings Account Manager may follow the directives of the Board, and when acting in such capacity, the Savings Account Manager shall have no liability to me, my Designated Beneficiary, or my authorized legal representative.

- 16) **I understand that any income, earnings, gifts, or financial benefits resulting from or related to my ownership of an Account or other participation in the Program may result in state and/or federal tax liability and that it is my responsibility to consult with a qualified tax professional before opening an Account or undertaking any transaction related to an Account or the Program. I understand that although the definition of qualified expenses includes certain federally deductible expenses, the Jumpstart Savings Act, Board, and State of West Virginia can in no way modify my federal tax liability nor advise me on my federal tax liability.** I further understand that I am the sole person responsible for maintaining sufficient records and documentation to claim any tax benefits available under the Jumpstart Savings Act or to otherwise comply with applicable federal and state tax laws and reporting requirements.
- 17) I understand that by accepting my Program Application and/or requesting information on the trade, profession, or occupation of my Account's Designated Beneficiary, the Board does not approve, deny, or otherwise advise me on my eligibility for any state tax benefit. I further understand and agree that it is solely my responsibility to determine whether any apprenticeship or educational program in which my Account Beneficiary has participated or is participating is listed in the definition of a "qualifying occupation, profession, or trade" appearing in the Booklet.
- 18) I acknowledge and agree to the fees, charges, or penalties applicable to my Jumpstart Savings Account as described in the Booklet and understand that they may change in the future.
- 19) I understand that I may terminate my Account at any time by submitting a request to the Board, according to the procedures in the Booklet.
- 20) I understand that my Account may be suspended, pending an investigation, if the Board receives credible evidence that I, or the Designated Beneficiary for my Account, has provided false or misleading information to the Board, the Savings Account Manager, or to a state or federal tax authority related to an Account, or if the Board receives credible evidence that my Account has been used in connection with fraud or

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- inappropriate activity or in connection with a violation of any law, rule, or standard of the Program.
- 21) I understand that my Account may be terminated if the Board determines that I, or the Designated Beneficiary for my Account, has provided false or misleading information to the Board or to a state or federal tax authority related to my Account or if the Board determines that my Account has been used in connection with fraud or inappropriate activity or in connection with a violation of any law, rule, or standard of the Program.
 - 22) I understand that my Account may be terminated if the Account balance drops below a point at which there are insufficient funds to cover appropriate Account fees; if the Account balance drops below a level determined by the Board; or if the Account is dormant for three (3) years.
 - 23) I understand that if my Account is terminated for any reason, the distribution of my remaining Account balance and contributions and earnings may cause me to incur federal and state income tax liability according to applicable laws.
 - 24) I understand that as the Account Owner, only I may authorize and receive a distribution of funds from my Account. I understand that any distributed funds from my Account that are not used for a qualified expense will be a non-qualified expense and will not be eligible for any special tax treatment under the Jumpstart Savings Act. I understand that any distribution from an Account may cause me to incur federal and state income tax liability according to applicable laws.
 - 25) I understand that if I rollover funds from my current SMART529 account into a Jumpstart Savings Account or from my Jumpstart Savings Account into a WVABLE account, I may incur federal and state income tax liability according to applicable laws.
 - 26) I agree that if I qualify for the Ignite Incentive Program, I will provide all necessary documentation of my Account's eligibility for the deposit, as required by the Board. I further understand and agree that my Designated Beneficiary, whether myself or someone I have so identified, may only be the Designated Beneficiary for an Account receiving the Ignite Incentive deposit one time in the Designated Beneficiary's lifetime, regardless of the number of Accounts for which said individual is named as Designated Beneficiary. I understand that a deposit to my Account, pursuant to the Ignite Incentive Program, may result in federal and state income tax liability according to applicable laws. I understand that in order to qualify for the Ignite Incentive Program I must make any minimum deposit required by the Board within 30 days of the Account's opening.
 - 27) I understand that if I name a successor owner for my Account, the successor owner shall become the new Account Owner automatically upon my death and shall thereafter have complete ownership rights to my Account and its contents. I provide the Board

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and the Savings Account Manager with my consent to transfer my Account to the successor owner for my Account that I have named (if any) upon my death.

- 28) I understand that changes in state or federal law and regulations and related interpretations may necessitate material alterations to the Program including termination of the Program, change in tax treatment at the state or federal level, and changes to the parameters of the Account, contributions, withdrawals, and fees.
- 29) I provide the Board with my consent to share the information provided to the Board, including the information provided in my Program Application, with the Savings Account Manager.
- 30) I provide the Board with my consent to share my Account activity, Account transactions, Account information, or any other information related to my Account ownership or participation the Program with the West Virginia Tax Department for tax verification or audit purposes.
- 31) I provide the Board with my consent to share my Account activity, Account transactions, Account information, or any other information related to my Account ownership with third party auditors or other professionals for the purpose of the Board's compliance with audit requirements in the Jumpstart Savings Act.
- 32) I understand and agree that the Board and the Savings Account Manager have access to my Account activity, Account transactions, Account information, or any other information related to my Account ownership and may compile data using said information for any lawful purpose related to Program administration or otherwise.

B. Statutes, Policies, and Operating Procedures

The Jumpstart Savings Program and this Agreement are subject to, and incorporate by reference, the Jumpstart Savings Act, any rules, policies, and operating procedures adopted for the Program by the Board, any amendments to the Jumpstart Savings Act and other applicable laws, and any rules that the Board may promulgate in accordance with state law. Any amendments to relevant statutes, rules, or procedures of the Board automatically amend this Agreement. Any such amendments shall become effective no later than the effective date of the applicable law, rule, or procedure.

C. Indemnity

I understand and agree that the establishment of my Jumpstart Savings Account will be based upon the agreements, representations, and warranties set forth in this Agreement, in the Booklet, and in United Bank's Terms & Conditions. I agree to indemnify and hold harmless each of the State of West Virginia, the Board, and the Savings Account Manager of any of the foregoing, from

and against any and all loss, damage, liability, or expense, including reasonable attorneys' fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by me in this Agreement or otherwise with respect to my Account, and any breach by me of any of the agreements, representations, or warranties contained in this Agreement. All of my agreements, representations, and warranties shall survive the termination of this Agreement.

D. Complaint or Dispute Resolution Process

Should a complaint or dispute arise out of this Agreement, the Account Owner should first contact the Board to attempt resolution within 60 days of the complaint or dispute arising. The Account Owner and the Board shall first attempt to resolve the dispute through direct discussions in the spirit of cooperation. If the dispute is not resolved through direct discussions, I understand that I may appeal any action or decision of the Board according to the procedures in West Virginia Code of State Rules §112-15-11.

I understand that United Bank's Terms & Conditions contains a binding arbitration agreement.

E. Amendment and Termination

I understand and agree that the Board reserves the right to amend this Agreement, in whole or in part, to meet the requirements of federal or state law, including without limitation the Jumpstart Savings Act, or for any other purpose. Any amendments may be retroactively effective if such amendment is necessary to conform the Agreement to, or satisfy the conditions of, any law, regulation rule, or administrative agency or judicial ruling and to permit the Agreement to meet the requirements of federal or state law. The Savings Account Manager will furnish a copy of any amendment to the Account Owner.

F. Miscellaneous

- 1) *Binding Agreement:* This Agreement is binding on the Account Owner, any successor Account Owner, and their heirs, executors, and administrators. This Agreement shall survive the death of any individual Account Owner and shall be binding upon any executors or administrators, as applicable.
- 2) *Severability:* If any provision of this Agreement or any document referenced in this Agreement is found to be invalid by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions which can be given effect without the invalid provision and, to this end, the provisions of this Agreement and any document referenced in this Agreement are declared to be severable.
- 3) *Headings:* The heading of each section, paragraph, and provision in this Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such section, paragraph, and provision.

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- 4) *Governing Law*: This Agreement is governed by and interpreted under West Virginia law without giving effect to its choice of law principles. Any information provided in this Agreement, the Booklet, or any other source, oral or written, which contradicts or violates the West Virginia Constitution, the West Virginia Code, or the West Virginia Code of State Rules, is void and of no effect.
- 5) *Entire Agreement*: This Agreement constitutes the entire understanding and agreement of the parties with respect to the subject matter and supersedes all prior agreements or understandings, written or oral, between the parties with respect thereto.