



Notes

The Newsletter of Kentucky's Affordable Prepaid Tuition

Federal Financial Aid Reporting Information

KAPT is treated as a parental asset on the Free Application for Federal Student Aid (FAFSA) if the parent is the account owner. You should report the total refund value of all KAPT accounts owned by you on the FAFSA. For purposes of FAFSA reporting, the refund value for KAPT accounts of beneficiaries entering or already attending college is the full payout value of the account (including earnings). For KAPT accounts of beneficiaries who have not yet reached their college enrollment year, the refund value is equal to contributions only.

To help you complete the FAFSA, we have provided the refund values on the KAPT website. To access the information:

- Select the Account Access link at www.getKAPT.com to sign into your KAPT account.
- Click on "Benefits Information."
- Select the option to view information on completing the FAFSA.

You may also request the refund value of your account(s) for FAFSA reporting by calling customer service at 1-888-919-5278, option 2.

Your contract benefits continue to be excluded in determining the amount of Kentucky state student aid your beneficiary will receive. You should contact the school financial aid office to determine the impact your KAPT contract may have on eligibility for other types of financial aid.



Fiscal Year 2007 Actuarial Study Completed

KAPT's annual actuarial valuation was completed in September by Actuarial Resources Corporation. The valuation showed KAPT was 91.8% funded as of June 30, 2007, with a \$14.01 million actuarial deficit. The study also noted that the balance of the Unclaimed Property Fund was more than sufficient to meet the program's unfunded liability.

The full actuarial report is available under the Reports section at www.getKAPT.com.

KAPT Receives Clean Audit Opinion

KAPT received an unqualified "clean" audit opinion by Strothman & Company PSC as a result of the program's annual audit for Fiscal Year 2007.

The audited financial statements are available under the Reports section at www.getKAPT.com.

KAPT Annual Statements

Your KAPT newsletter is included in this mailing of your KAPT annual statement. The annual statement is provided after December 31 each year to all KAPT account owners with active accounts. It is important that you verify all information provided on the statement and notify KAPT of any changes. Account-specific updates may be made online at www.getKAPT.com by selecting the Account Access link from the home page. If you have any questions regarding your annual statement, please call 1-888-919-KAPT, option 2.

KAPT Enrollment Suspension Continues

At its October 18, 2007, meeting the KAPT Board of Directors voted unanimously not to open KAPT for enrollment in 2007. The Board will continue to reexamine enrollment on an annual basis.



1099-Q Forms

If any distributions were made from your KAPT account during 2007, an IRS Form 1099-Q will be issued for your account. If the distribution was made directly to the beneficiary or to a school, the 1099-Q will be sent to the beneficiary; all other 1099-Qs will be sent to the account owner. Forms and additional information will be mailed by January 31, 2008.

Using KAPT Benefits in 2008

If your KAPT beneficiary will be entering college in the fall of 2008, please take note of the following:

- Your KAPT account must be paid in full, including all outstanding fees, before your benefits can be used.
- The Projected Enrollment Year on your account must be 2008 or earlier.
- In March, you will receive a benefit usage packet that will provide detailed information and instructions on applying for and using your KAPT benefits. Information is also available under “Using Benefits” at www.getKAPT.com.

If your beneficiary is already using KAPT benefits, you can print a Billing Authorization Form and other benefit use forms and view updated payout value information at www.getKAPT.com. Remember that you should submit a Billing Authorization Form to the school each semester you want the school to invoice KAPT for tuition and fees.

If you have any questions about using KAPT benefits, please call 1-888-919-KAPT, option 2, or see the Using Benefits section at www.getKAPT.com.

2008 Board Meeting Schedule

Per Kentucky statute, the Kentucky Higher Education Assistance Authority (KHEAA) Board of Directors also serves as the KAPT Board of Directors. This group also serves as the board of KHEAA’s sister agency, the Kentucky Higher Education Student Loan Corporation (KHESLC).

In 2008, meetings are scheduled in February, May, August, October and November. The meeting schedule is available on the News page at www.getKAPT.com. All meetings are open to the public.

KAPT Online Account Access Available

You can view your KAPT accounts online with secure, 24-hour online access.

You can check your current account status and recent financial transactions, update your beneficiary’s and your mailing and email addresses, calculate an early payoff on your KAPT account and track benefit payments made to schools on behalf of a student.

Check out your accounts at www.getKAPT.com by selecting the Account Access link from the KAPT home page. You will need your KAPT account number and Social Security number to get started. If you have multiple KAPT accounts, you may use any of your KAPT account numbers to login.

If you have any questions, please call us toll free at 1-888-919-5278, option 2.

Email Addresses Needed

Email is an important tool to keep you updated on your KAPT account. If you have not provided your email address, or if your email has changed, please update your email using online Account Access at www.getKAPT.com.



How to Contact Us

Toll-free Phone: 888.919.KAPT, option 2

Send Payments To: KAPT
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