



TUITION PROTECTION PLAN

I. WHAT IS THE TUITION PROTECTION PLAN

The Tuition Protection Plan is a program provided by Elgin Academy for the purpose of protecting the investment a family makes in the education of a child at the Academy. Enrollment of a child at Elgin Academy carries with it an obligation to pay tuition for the entire academic year, even if the child is subsequently withdrawn. By participating in the Tuition Protection Plan, you become eligible to receive a prorata refund of your tuition if your child's separation from school occurs by reason of one of the causes covered by the Plan, including Medical Withdrawal, Psychiatric Withdrawal, Geographic Withdrawal and Disciplinary Dismissal.

II. WHO SHOULD PARTICIPATE IN THE PLAN

Participation in this Plan is required of all students whose tuition is not paid in full by the first day of the academic year. Participation is recommended (but not required) for parents who wish to minimize their risk of lost tuition expense in the event of a covered separation from studies.

III. COVERED WITHDRAWALS: PLAN BENEFITS

3.1 The Withdrawal of a student enrolled in the Plan (a "Covered Student") for any of the following reasons will entitle that student's family to a Refund of Prepaid Tuition:

- (a) Refund for Medical Withdrawal. Any Covered Student who makes a Medical Withdrawal from the Academy shall be entitled to a Refund equal to One Hundred Percent (100%) of the Prepaid Tuition.
- (b) Refund for Psychiatric Withdrawal. Any Covered Student who makes a Psychiatric Withdrawal from the Academy shall be entitled to a Refund equal to One Hundred Percent (100%) of the Prepaid Tuition.
- (c) Refund for Geographic Withdrawal. Any Covered Student who makes a Geographic Withdrawal from the Academy and who has attended classes for at least thirteen (13) days during the Academic Year shall be entitled to a Refund equal to Seventy-Five percent (75%) of the Prepaid Tuition.
- (d) Refund for Academic Dismissal. Any Covered Student who suffers an Academic Dismissal shall be entitled to a Refund equal to Seventy-Five Percent (75%) of the Prepaid Tuition, without any waiting period.
- (e) Refund for Disciplinary Dismissal. Any Covered Student who suffers a Disciplinary Dismissal for any reason other than criminal misconduct causing injury or damage to Elgin Academy, its faculty, staff, students, patrons, or property, and who has attended classes for at least thirteen (13) days following the start of the Academic Year in question shall be entitled to a Refund equal to Fifty Percent (50%) of the Prepaid Tuition.

3.2 Examples:

- (a) Assume, for purposes of each of the examples in this paragraph 3.2, that the first day of class for the Academic Year is September 1; that the Covered Student withdraws on November 1 (i.e. after 61 days); that there remains 191 days in the Academic Year (i.e. 252 total days minus 61 days elapsed); and that the Covered Student has paid in full tuition of \$10,000 prior to the Withdrawal.
- (b) If a Medical Withdrawal occurs on November 1, the Covered Student will receive a Refund of \$7,579.36, calculated as follows:

$$\begin{array}{r} \$10,000 \times \frac{191}{252} \end{array}$$

- (c) If a Psychiatric Withdrawal occurs on November 1, the Covered Student will receive a Refund of \$7,579.36, calculated as follows:

$$\frac{\$10,000 \times 191}{252}$$

- (d) If a Geographic Withdrawal occurs on November 1, the Covered Student will receive a Refund of \$5,684.52, calculated as follows:

$$\frac{\$10,000 \times 191}{252} \times .75$$

- (e) If a Disciplinary Dismissal occurs on November 1, the Covered Student will receive a Refund of \$3,789.68, calculated as follows:

$$\frac{\$10,000 \times 191}{252} \times .50$$

- 3.3 No Withdrawal for reasons other than those enumerated in paragraph 3.1 above shall entitle any Covered Student to a Refund.

IV. CLAIM PROCEDURES

- 4.1 To be entitled to a Refund under this Plan, a Claim qualifying with the requirements of this Article IV shall be submitted to the Plan Administrator not later than sixty (60) days following the occurrence of the event giving rise to the right to a Refund hereunder.
- 4.2 Any party seeking a Refund with regard to a Covered Student shall submit a written "Claim" to the Plan Administrator which:
- (a) Sets forth in reasonably sufficient detail the facts and circumstances of the event allegedly entitling the Covered Student or his custodial parents to a Refund upon Withdrawal; and
 - (b) Includes all medical certifications and other documentation or evidence as required herein or as may be reasonably requested by the Academy in order to determine eligibility for benefits hereunder.
- Any party seeking a Refund shall cooperate fully with the Academy in providing such information as it may reasonably require to properly process and review the Claim.
- 4.3 Notwithstanding anything to the contrary stated in this Plan, no Covered Student (or any person claiming by through or under the Covered Student) shall be entitled to a Refund during such time as there shall be unpaid and outstanding any tuition due the Academy with respect to the Covered Student for periods prior to the date of the Withdrawal.
- 4.4 The Plan Administrator will notify the claimant in writing of the determination of eligibility for a Refund under the Claim within ten (10) days following the receipt of the Claim.
- 4.5 If the Plan Administrator denies any Claim, the claimant may appeal such decision to the Finance Committee of the Board, whose decision shall be final and binding.
- 4.6 As a condition to the right to receive any Refund under this Plan, the Participant shall first pay to the Academy all tuition, fees and other sums due, whether pertaining to periods prior to the Withdrawal of, in the case of Withdrawal covered under paragraphs 3.1 (c), (d) or (e) for the non-refunded balance of tuition for the remainder of the Academic Year. Participation in this Plan shall not relieve the Participant of any financial obligation to the Academy over and above the benefits expressly provided in paragraph 3.1 above.
- 4.7 All notices given under this Plan shall be in writing and shall be delivered personally or by certified mail (return receipt requested) to the parties as follows: If to the Academy, 350 Park Street, Elgin, IL 60120, Attention Business Manager. If to the Participant, then to the Participant's address as set forth in the Plan Enrollment Application.

V. DEFINITIONS

For purposes of interpreting and applying the provisions of this Plan, the following terms shall have the following meanings:

- 5.1 “Academic Dismissal” means the permanent dismissal of a Covered Student from studies at Elgin Academy by action of its Administration due to the poor academic performance of the Covered Student.
- 5.2 “Academic Year” means a period of 252 consecutive days, commencing with the first day of classes in the Academy’s Fall semester.
- 5.3 “Board” means the Board of Trustees of the Elgin Academy.
- 5.4 “Certified Illness” means a condition involving physical injury to, or physical illness (excluding mental, nervous, or psychiatric illness) of the Covered Student which in either case (i) is certified in writing to the Plan Administrator by the Covered Student’s attending physician or lawfully practicing Christian Science Practitioner as being of such severity and likely duration as to render the Covered Student unable to pursue his or her regular course of studies at Elgin Academy, or at any other public or private school, for the remainder of the Academic Year and, if required by the Academy, is similarly certified in writing to the Plan Administrator in a second opinion by such consulting physician as the Academy may require in its sole discretion, and (ii) has resulted in the Covered Student being unable to attend classes for 30 consecutive days or more following the onset of the condition.
- 5.5 “Certified Psychiatric Disorder” means a medically recognized mental or nervous disorder involving the Covered Student which (i) is certified in writing to the Plan Administrator by the Covered Student’s attending physician or lawfully practicing Christian Science Practitioner as being of such severity and likely duration as to render the Covered Student unable to pursue his or her regular course of studies at Elgin Academy, or at any other public or private school, for the remainder of the Academic Year and, if required by the Academy, is similarly certified in writing to the Plan Administrator in a second opinion by such consulting physician as the Academy may require in its sole discretion, and (ii) has resulted in the Covered Student being unable to attend classes for 30 consecutive days or more following the onset of the condition.
- 5.6 “Covered Student” means the student designated in the enrollment application for coverage in this Plan.
- 5.7 “Disciplinary Dismissal” means the permanent dismissal of a Covered Student from studies at Elgin Academy by action of its Administration due to the Covered Student’s misbehavior. (The dismissal of a Covered Student by reason of the nonpayment of tuition or other sums due the Academy shall not be deemed a Disciplinary Dismissal and shall not result in the payment of any Refund.)
- 5.8 “Geographic Withdrawal” means the permanent Withdrawal of the Covered Student by reason of Job Transfer or Emergency Relocation.
- 5.9 “Job Transfer or Emergency Relocation” means the occurrence of (i) the transfer of the place of employment of the custodial parent of the Covered Student to a location more than fifty (50) miles from Elgin, Illinois, coupled with a Residential Relocation of such custodial parent, or (ii) the Residential Relocation of the custodial parent of the Covered Student by reason of the sickness, injury, or death of a family member to whom the custodial parent will render care or assistance.
- 5.10 “Medical Withdrawal” means the permanent Withdrawal of the Covered Student by reason of the student’s Certified Illness.
- 5.11 “Participant” means the parent or legal guardian of the Covered Student who makes application for participation in this Plan.
- 5.12 “Plan” means the Elgin Academy Tuition Protection Plan as described herein.
- 5.13 “Plan Administrator” means the acting Business Manager of the Elgin Academy, or such other person as may be designated by the Head to act as Plan Administrator.
- 5.14 “Plan Enrollment Application” means the form of application prescribed by the Academy to be completed and submitted by the Participant for enrollment in the Plan.

- 5.15 **“Prepaid Tuition”** means that portion of the tuition paid or payable with respect to the Covered Student which is allocable to those portions of the Academic Year which fall after the occurrence of the applicable event of Withdrawal on which the claim for Refund is based. All tuition shall be allocated on a per diem basis over said Academic Year.
- 5.16 **“Psychiatric Withdrawal”** means the permanent Withdrawal of the Covered Student by reason of Certified Psychiatric Disorder.
- 5.17 **“Refund”** means (i) a cash payment of the tuition refund benefits provided for under this Plan if and to the extent that the Prepaid Tuition has in fact been paid for the Covered Student in cash, and otherwise (ii) a credit against future tuition due with respect to the Covered Student (if to the extent that the Prepaid Tuition of the Covered Student has not yet been paid).
- 5.18 **“Residential Relocation”** means the movement of the principal place of residence of the Covered Student and his custodial parent(s) to a place which is (i) fifty (50) miles or more away from the location of their principal place of residence at the beginning of the Academic Year in question, and (ii) fifty (50) miles or more away from Elgin Academy.
- 5.19 **“Withdrawal”** means the permanent withdrawal of the Covered Student from the Academy’s course of studies (including the cessation of all personal attendance on campus and all counseling or other support from the Academy’s staff at home or at any other location). The Withdrawal shall be deemed to have occurred as of the date the Plan Administrator is notified in writing of the occurrence of the event resulting in a Withdrawal for which a Refund is to be paid under the terms of this Plan, be not before the date on which the Covered Student permanently ceases all academic contact with the Academy and its staff.

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