

IC 21-9-7

Chapter 7. Indiana Family College Savings Programs

IC 21-9-7-1

Powers of board

Sec. 1. In addition to any other powers granted by this article, the board has all powers necessary or convenient to carry out and effectuate the purposes and objectives of this chapter and IC 21-9-8, the purposes and objectives of an education savings program that may be established under this article, and the powers delegated by other laws or executive orders, including the following:

- (1) To establish policies and procedures to govern distributions from accounts that are not:
 - (A) made on account of the death or disability of an account beneficiary;
 - (B) made on account of the receipt of a scholarship (or allowance or payment described in Section 135(d)(1)(B) or (C) of the Internal Revenue Code) by the account beneficiary to the extent the amount of the distribution does not exceed the amount of the scholarship, allowance, or payment; or
 - (C) rollovers.
- (2) To establish penalties for withdrawals of money from accounts that are not used exclusively for the qualified higher education expenses of an account beneficiary unless a circumstance described in subdivision (1) applies.
- (3) To establish policies and procedures regarding the transfer of individual accounts and the designation of substitute account beneficiaries.
- (4) To establish policies and procedures for withdrawal of money from accounts for, or in reimbursement of, qualified higher education expenses.
- (5) To enter into agreements with account owners, account beneficiaries, and contributors, with the agreements naming:
 - (A) the account owner; and
 - (B) the account beneficiary.
- (6) To establish accounts for account beneficiaries. However:
 - (A) the authority shall establish a separate account for each account beneficiary; and
 - (B) an individual may be the beneficiary of more than one (1) account.
- (7) To enter into agreements with financial institutions relating to accounts as well as deposits, withdrawals, penalties, allocation of benefits or incentives, and transfers of accounts, account owners, and account beneficiaries.
- (8) To conform the education savings program to federal tax advantages or incentives, as the advantages or incentives may exist periodically, to the extent consistent with the purposes and objectives of this article.

(9) To interpret, in rules, policies, guidelines, and procedures, the provisions of this article broadly considering the purposes and objectives of this article.

As added by P.L.165-1996, SEC.1. Amended by P.L.25-1999, SEC.9; P.L.135-2002, SEC.21.

IC 21-9-7-2

Consideration of money in accounts by commission for higher education

Sec. 2. The amount of money available in an account and the proposed use of money in an account on behalf of an account beneficiary may not be considered by the commission for higher education under IC 21-12-3, IC 21-12-4, IC 21-12-5, IC 21-13-2, IC 21-13-7, or IC 21-13-8 when determining award amounts under another program administered by the commission for higher education.

As added by P.L.165-1996, SEC.1. Amended by P.L.135-2002, SEC.22; P.L.2-2007, SEC.250; P.L.107-2012, SEC.12; P.L.205-2013, SEC.313.

IC 21-9-7-3

Account not an asset

Sec. 3. An account is not an asset for the purposes of IC 6-4.1-2.
As added by P.L.165-1996, SEC.1. Amended by P.L.135-2002, SEC.23.

IC 21-9-7-4

Property of account owner

Sec. 4. Money deposited in an account by the account owner or a contributor and investment returns on an account are the property of the account owner.

As added by P.L.165-1996, SEC.1.

IC 21-9-7-5

Repealed

(As added by P.L.25-1999, SEC.10. Repealed by P.L.135-2002, SEC.30.)

IC 21-9-7-6

Repealed

(As added by P.L.25-1999, SEC.11. Repealed by P.L.135-2002, SEC.30.)

IC 21-9-7-7

Use of funds as loan security prohibited

Sec. 7. Funds held in an account of an education savings program that may be established under this article may not be used by an account owner or account beneficiary as security for a loan.

As added by P.L.25-1999, SEC.12. Amended by P.L.135-2002,

SEC.24.

IC 21-9-7-8

Maximum account balance

Sec. 8. (a) Contributions to an account may not exceed the amount necessary to provide for the qualified higher education expenses of the account beneficiary.

(b) The authority shall adopt rules or emergency rules under IC 4-22-2 to determine the maximum account balance applicable to all accounts of account beneficiaries with the same expected year of enrollment.

As added by P.L.25-1999, SEC.13. Amended by P.L.135-2002, SEC.25.

IC 21-9-7-9

Authorization to adopt rules to establish a penalty

Sec. 9. The authority may adopt rules or emergency rules under IC 4-22-2 to establish a penalty for a distribution that is not used exclusively for the qualified higher education expenses of an account beneficiary. However, the authority may not establish a penalty for distributions described in IC 21-9-7-1(1).

As added by P.L.25-1999, SEC.14. Amended by P.L.135-2002, SEC.26.