



## Ohio Revised Code

### Section 3334.10 Termination of contract - determination and payment of refunds.

Effective: September 29, 2005

Legislation: House Bill 66 - 126th General Assembly

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Divisions (A) and (B) of this section do not apply to scholarship programs established under section 3334.17 of the Revised Code.

(A) Unless otherwise provided for in the tuition payment contract, the purchaser may rollover amounts to another qualified tuition program under section 529 of the Internal Revenue Code or terminate the contract for any reason by filing written notice with the Ohio tuition trust authority.

(1) If the contract is terminated and the beneficiary is under eighteen years of age, the authority shall use actuarially sound principles to determine the amount of the refund.

(2) If the contract is terminated because of the death or permanent disability of the beneficiary, the amount of the refund shall be equal to the greater of the following:

(a) One per cent of the weighted average tuition in the academic year the refund is paid, multiplied by the number of tuition units purchased and not used;

(b) The total purchase price of all tuition units purchased for the beneficiary and not used.

(3) If all or part of the amount accrued under the contract is liquidated for a rollover to another qualified tuition program under section 529 of the Internal Revenue Code, the rollover amount shall be determined in an actuarially sound manner.

(B) The contributor of a variable college savings program account may rollover amounts to another qualified tuition program under section 529 of the Internal Revenue Code or terminate the account for any reason by filing written notice with the Ohio tuition trust authority.

The contributor may receive an amount equal to the account balance, less any applicable



administrative fees.

(C) A scholarship program may request a refund of tuition units in the program's account by filing a written request with the authority. The refund shall be paid to the entity that established the scholarship program or, with that entity's approval, to the authority if this is authorized by federal tax law. The amount of any refund shall be determined by the authority and shall meet the requirements for refunds made on account of scholarships under section 529 of the Internal Revenue Code.

(D) The authority shall maintain a separate account for each variable college savings contract entered into pursuant to division (A) of section 3334.18 of the Revised Code for contributions made on behalf of a beneficiary, showing the name of the beneficiary of that contract and the amount of contributions made pursuant to that contract. Upon request of any beneficiary or contributor, the authority shall provide a statement indicating, in the case of a beneficiary, the amount of contributions made pursuant to that contract on behalf of the beneficiary, or, in the case of a contributor, contributions made, disbursed, or refunded pursuant to that contract.