



## Ohio Revised Code

### Section 3334.08 Trust authority powers.

Effective: December 19, 2016

Legislation: House Bill 471 - 131st General Assembly

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(A) Subject to division (B) of this section, in addition to any other powers conferred by this chapter, the Ohio tuition trust authority may do any of the following:

- (1) Impose reasonable residency requirements for beneficiaries of tuition units;
- (2) Impose reasonable limits on the number of tuition unit participants;
- (3) Impose and collect administrative fees and charges in connection with any transaction under this chapter;
- (4) Purchase insurance from insurers licensed to do business in this state providing for coverage against any loss in connection with the authority's property, assets, or activities or to further ensure the value of tuition units;
- (5) Indemnify or purchase policies of insurance on behalf of members, officers, and employees of the authority from insurers licensed to do business in this state providing for coverage for any liability incurred in connection with any civil action, demand, or claim against a director, officer, or employee by reason of an act or omission by the director, officer, or employee that was not manifestly outside the scope of the employment or official duties of the director, officer, or employee or with malicious purpose, in bad faith, or in a wanton or reckless manner;
- (6) Make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise and discharge of the powers and duties of the authority;
- (7) Promote, advertise, and publicize the Ohio college savings program and the variable college savings program;
- (8) Adopt rules under section 111.15 of the Revised Code for the implementation of the Ohio college



savings program;

(9) Contract, for the provision of all or part of the services necessary for the management and operation of the Ohio college savings program and the variable college savings program, with a bank, trust company, savings and loan association, insurance company, or licensed dealer in securities if the bank, company, association, or dealer is authorized to do business in this state and information about the contract is filed with the controlling board pursuant to division (D)(6) of section 127.16 of the Revised Code; provided, however, that any funds of the Ohio college savings program and the variable college savings program that are not needed for immediate use shall be deposited by the treasurer of state in the same manner provided under Chapter 135. of the Revised Code for public moneys of the state. All interest earned on those deposits shall be credited to the Ohio college savings program or the variable college savings program, as applicable.

(10) Contract for other services, or for goods, needed by the authority in the conduct of its business, including but not limited to credit card services;

(11) Employ an executive director and other personnel as necessary to carry out its responsibilities under this chapter, and fix the compensation of these persons. All employees of the authority shall be in the unclassified civil service and shall be eligible for membership in the public employees retirement system. In the hiring of the executive director, the Ohio tuition trust authority shall obtain the advice and consent of the Ohio tuition trust investment board created in section 3334.03 of the Revised Code, provided that the executive director shall not be hired unless a majority of the board votes in favor of the hiring. In addition, the board may remove the executive director at any time subject to the advice and consent of the chancellor of higher education.

(12) Contract with financial consultants, actuaries, auditors, and other consultants as necessary to carry out its responsibilities under this chapter;

(13) Enter into agreements with any agency of the state or its political subdivisions or with private employers under which an employee may agree to have a designated amount deducted in each payroll period from the wages or salary due the employee for the purpose of purchasing tuition units pursuant to a tuition payment contract or making contributions pursuant to a variable college savings program contract;



- (14) Enter into an agreement with the treasurer of state under which the treasurer of state will receive, and credit to the Ohio tuition trust fund or variable college savings program fund, from any bank or savings and loan association authorized to do business in this state, amounts that a depositor of the bank or association authorizes the bank or association to withdraw periodically from the depositor's account for the purpose of purchasing tuition units pursuant to a tuition payment contract or making contributions pursuant to a variable college savings program contract;
- (15) Solicit and accept gifts, grants, and loans from any person or governmental agency and participate in any governmental program;
- (16) Impose limits on the number of units which may be purchased on behalf of or assigned or awarded to any beneficiary and on the total amount of contributions that may be made on behalf of a beneficiary;
- (17) Impose restrictions on the substitution of another individual for the original beneficiary under the Ohio college savings program;
- (18) Impose a limit on the age of a beneficiary, above which tuition units may not be purchased on behalf of that beneficiary;
- (19) Enter into a cooperative agreement with the treasurer of state to provide for the direct disbursement of payments under tuition payment or variable college savings program contracts;
- (20) Determine the other higher education expenses for which tuition units or contributions may be used;
- (21) Terminate any tuition payment or variable college savings program contract if no purchases or contributions are made for a period of three years or more and there are fewer than a total of five tuition units or less than a dollar amount set by rule on account, provided that notice of a possible termination shall be provided in advance, explaining any options to prevent termination, and a reasonable amount of time shall be provided within which to act to prevent a termination;



(22) Maintain a separate account for each tuition payment or variable college savings program contract;

(23) Perform all acts necessary and proper to carry out the duties and responsibilities of the authority pursuant to this chapter.

(B) The authority shall adopt rules under section 111.15 of the Revised Code for the implementation and administration of the variable college savings program. The rules shall provide taxpayers with the maximum tax advantages and flexibility consistent with section 529 of the Internal Revenue Code and regulations adopted thereunder with regard to disposition of contributions and earnings, designation of beneficiaries, and rollover of account assets to other programs.

(C) Except as otherwise specified in this chapter, the provisions of Chapters 123. and 4117. of the Revised Code shall not apply to the authority and Chapter 125. of the Revised Code shall not apply to contracts approved under the powers of the Ohio tuition trust authority investment board under section 3334.03 of the Revised Code.