



Ohio Administrative Code

Rule 3334-1-10 Termination of tuition payment contracts; reallocation.

Effective: January 16, 2015

(A) The authority may terminate a tuition payment contract under the Ohio college savings program if no purchases have been made under any such contract for a period of three years or more, and there are fewer than a total of five tuition credits and/or tuition units or combination thereof, provided the authority must first notify the account owner of the proposed termination following the requirements in paragraph (C) of this rule.

(B) The authority may terminate a variable college savings contract under the Ohio variable college savings program if no purchases have been made under any such contract for a period of three years or more and the value of the account governed by such variable college savings contract is less than one hundred dollars, provided that the authority must first notify the account owner of the proposed termination following the requirements in paragraph (C) of this rule.

(C) Prior to terminating a tuition payment contract or a variable college savings contract pursuant to paragraph (A) or (B) of this rule, the authority must first notify the account owner of the proposed termination and the options to prevent the termination, as described in paragraph (D) of this rule. For the purposes of this rule, the authority shall sufficiently "notify" an account owner of the proposed termination when it sends, to the address contained in the authority's records for the relevant account owner, a letter that can be tracked through a recognized mail service, including but not limited to, UPS or USPS. Said notice shall provide each account owner not less than sixty days within which the account owner may notify the authority that the account owner intends to prevent termination pursuant to paragraph (D) of this rule. If the account owner fails to notify the authority of the applicability of paragraph (D) of this rule within said sixty day period, then the authority shall within fifteen days following the expiration of said sixty day period, terminate the contract, calculate the refund amount as hereinafter set forth and return said amount to the account owner or such person designated by the account owner. The amount of the refund under a tuition payment contract shall be determined by the authority using actuarially sound principles and may be reduced by the amount of any applicable administrative expenses of the authority. The amount of the refund under a variable college savings contract shall be the balance contained in the applicable account and may be reduced



by the amount of any applicable administrative expenses of the authority.

(D) Notwithstanding anything to the contrary contained in this rule, if the beneficiary is currently serving in the United States military or is currently attending an eligible education institution on a continuous basis or is subject to other circumstances or conditions which the authority deems sufficient to authorize suspension of the application of either paragraph (A) and/or paragraph (B) of this rule, then the authority, upon receipt of documentation satisfactory to the authority establishing any of the foregoing, shall suspend taking action under either paragraph (A) and/or paragraph (B) of this rule until such time that the beneficiary is discharged from the military service, discontinues his or her attendance at an eligible education institution or is no longer subject to the other conditions described in this rule, whichever is applicable. Account owners seeking suspension under paragraph (D) of this rule shall be required periodically to submit such documentation as the authority may require in order to continue any such suspension in force.