



Ohio Administrative Code

Rule 3334-1-14 Termination of tuition payment contracts; other.

Effective: January 16, 2015

(A) In addition to the rights granted to the authority under rule 3334-1-10 of the Administrative Code, the authority may terminate a tuition payment contract under the Ohio college savings program and force a rollover or liquidation of the account, except as otherwise provided in this rule, if the beneficiary has reached the age of twenty eight years. The authority shall provide to account owners having such accounts whose beneficiaries have attained said age, written notice via letter sent to the address contained in the authority's records for the relevant account owner, that can be tracked through a recognized mail service, including but not limited to, UPS or USPS of the proposed termination and must advise said account owner that within sixty days following confirmation of delivery of said notice to the address of record of such account owner, the account owner may either roll over the entire amount in the account under said contract into the Ohio variable college savings program or may agree to said proposed termination and a liquidation of the entire account. If the account owner elects to roll over, the authority shall determine the amount of the rollover in an actuarially sound manner. If the account owner elects to terminate the contract and liquidate the account, the refund shall be equal to the current weighted average value of the tuition credits and/or tuition units as applicable as of the date of the request. In either such event, the refund shall be calculated and disbursed by the authority to the account owner or such other person designated by the account owner not later than fifteen days following the aforesaid sixty day period. If the authority receives confirmation of delivery of the aforesaid sixty day notice but the account owner fails to notify the authority of its election within said sixty day period, then the account owner shall be deemed to have elected to terminate the contract and receive a full liquidation of the account, as described in this rule. If the authority does not receive confirmation of delivery of said notice, then the authority shall proceed in accordance with the provisions of paragraph (B) of this rule.

(B) Notwithstanding the provisions of paragraph (A) of this rule, if the authority is unable to locate the purchaser, then the authority shall make a reasonable effort to locate the purchasers designated beneficiary and/or any person designated by the purchaser to act on the purchasers behalf. For the purposes of this rule, the authority shall make "reasonable effort" when it sends, to the address contained in the authority's records for the relevant beneficiary or other designated person, a letter



that can be tracked through a recognized mail service, including but not limited to UPS or USPS. If the authority is unsuccessful in locating all of such persons, then the authority may terminate the purchasers tuition payment contract and retain all amounts which would otherwise be payable thereunder. If the authority is able to locate any of such persons, then the authority shall advise such persons that unless the purchaser or other designated person contacts the authority on or before sixty days from the date that the authority receives confirmation of delivery of its notice, the authority will terminate the tuition payment contract of the purchaser and retain all amounts which would otherwise be payable under said contract. If the purchaser or other designated person does contact the authority within said sixty day period, then the purchaser shall be subject to the provisions of paragraph (A) of this rule.

(C) Notwithstanding anything to the contrary contained in this rule, if the beneficiary has reached the age of twenty eight years but 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 any 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. Tuition payment contract account owners seeking suspension under this paragraph (C) shall be required periodically to submit such documentation as the authority may require in order to continue any such suspension in force.