



Ohio Revised Code

Section 3334.18 Variable college savings program contracts.

Effective: September 29, 2005

Legislation: House Bill 66 - 126th General Assembly

(A) A variable college savings program established by the Ohio tuition trust authority shall include provisions for a contract to be entered into between a contributor and the authority that will authorize the contributor to open an account for a beneficiary and authorize the contributor to substitute a new beneficiary for one originally named in the contract, to the extent permitted by section 529 of the Internal Revenue Code.

(B) The authority shall provide adequate safeguards to prevent total contributions to a variable college savings program account or purchases of tuition units, either separately or combined, that are made on behalf of a beneficiary from exceeding the amount necessary to provide for the tuition and other higher education expenses of the beneficiary, consistent with the maximum contributions permitted by section 529 of the Internal Revenue Code. However, in no event shall contributions or purchases exceed the allowable limit for a qualified tuition program under section 529 of the Internal Revenue Code.

(C)(1) Participation in the variable college savings program does not guarantee that contributions and the investment return on contributions, if any, will be adequate to cover future tuition and other higher education expenses or that a beneficiary will be admitted to or permitted to continue to attend an institution of higher education.

(2) Returns on contributors' investments in the variable college savings program are not guaranteed by the state and the contributors to the variable college savings program assume all investment risk, including the potential loss of principal and liability for penalties such as those levied for noneducational withdrawals.

(3) The state shall have no debt or obligation to any contributor, beneficiary, or any other person as a result of the establishment of the program, and the state assumes no risk or liability for funds invested in the variable college savings program.



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(4) Informational materials about the variable college savings program prepared by the authority or its agents and provided to prospective contributors shall state clearly the information set forth in division (C) of this section.