11 KAR 17:090. Refunds and transfers.

RELATES TO: KRS 164A.709

STATUTORY AUTHORITY: KRS 164A.704(1), (6), 2003 Ky. Acts ch. 156, Part IX, Sec. 46, EO 2003-652

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164A.704(1) requires the board to promulgate administrative regulations to implement KRS 164A.700 to 164A.709. KRS 164A.704(6) provides that the board shall develop requirements, procedures, and guidelines regarding prepaid tuition contracts. 2003 Ky. Acts ch. 156, Part IX, Section 46, and EO 2003-652 transferred the governance and administration of the Prepaid Tuition Program from the Department of Treasury to the Kentucky Higher Education Assistance Authority. KRS 164A.709 authorizes refunds and transfers from a prepaid tuition contract. This administrative regulation establishes the requirements for refunds and transfers from a prepaid tuition contract.

Section 1. Refunds. (1) A purchaser shall make a written request to the office for any refund that may be due to him from a prepaid tuition contract in accordance with 11 KAR 17:080, Section 1.

(2) All requested refunds shall be subject to approval by the office.

(3) A purchaser shall be notified of the amount of refund due. Any outstanding administrative fees required by 11 KAR 17:100 shall be deducted from the amount of the refund.

(4) All refunds shall be paid to the purchaser by the office from the fund in either a one (1) time lump sum payment or installment payments. If a refund is paid to the purchaser in installment payments, interest shall not accrue on the installment payments.

Section 2. Transfers. (1) A prepaid tuition account may be transferred to another qualified tuition program as defined in 26 U.S.C. 529 in accordance with this section and applicable provisions of 26 U.S.C. 529. A purchaser shall make a written request for transfer of funds from the prepaid tuition account to another qualified tuition program and submit sufficient documentation, as requested by the office, to confirm the qualified status of the recipient tuition program.

(2) Upon transfer of a prepaid tuition account, the purchaser's prepaid tuition contract shall be terminated and considered null and void and the purchaser shall retain no claim or right to payment of any amount from the fund.

(3) A transfer shall:

(a) Consist of all contributions made to the KAPT account; and

(b) Not be a portion of contributions made to the prepaid tuition account. (30 Ky.R. 764; Am. 1196; eff. 12-1-2003.)