

# PROPOSED REGULATION OF THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLAN OF NEVADA

## LCB File No. R118-16

(This draft replaces the one posted on June 27, 2016; NAC 353B.645 has been removed from this regulation for separate consideration - see LCB File No. R148-16)

AUTHORITY: Chapter 353B of NRS is hereby amended by adding thereto the provisions set forth in SB 412 (2015), allow a purchaser to change the qualified beneficiary after benefits have been paid, and allow for a 10-year monthly payment plan.

A REGULATION relating to taxation; providing for a credit against taxes imposed on certain employers if an employer matches the contribution of an employee to certain college savings plans; allow a purchaser to change the qualified beneficiary after benefits have been paid, and allow for a 10-year monthly payment plan.

### **Chapter 353B of NAC is hereby amended as follows:**

#### **NAC 353B.310 Conditions for change in designation of qualified beneficiary. (NRS 353B.090)**

The Board will amend a contract to change the designation of the qualified beneficiary to a person within the immediate family of the existing qualified beneficiary if:

1. The purchaser requests the change and submits to the Board:
  - (a) The required fee;
  - (b) The name and date of birth of the proposed qualified beneficiary;
  - (c) The expected date of matriculation of the proposed qualified beneficiary; and
  - (d) Any other relevant information requested by the Board;
2. Either:
  - (a) The age of the proposed qualified beneficiary is less than the age of the existing qualified beneficiary plus 3 years; or
  - (b) The purchaser pays any additional sum the Board determines to be necessary, as a result of the change, to ensure the actuarial soundness of the Trust Fund;

Amend Subsection 3 as follows:

3. No benefits have been paid pursuant to the contract; *the new qualified beneficiary must adhere to the original expiration date of the contract, and the Board may charge a fee as determined necessary to ensure the actuarial soundness of the trust fund.*
4. The purchaser is not in default pursuant to NAC 353B.370; and
5. The contract has not been terminated.

#### **NAC 353B.350 Options for method of payment by purchaser. (NRS 353B.090, 353B.100)**

A contract may provide for payment by the purchaser:

1. By:
  - (a) Remittance in a lump sum; or
  - (b) Remittances on a monthly basis:
    - (1) For 60 months; or

**Amend as follows:**

***(2) For 120 months***

(2) From the time of enrollment in the Program until the qualified beneficiary graduates from high school; and

2. Pursuant to:
  - (a) An invoice;
  - (b) Monthly coupons;
  - (c) Payroll deductions;
  - (d) Automatic deductions from a specified account at a financial institution;
  - (e) Gifts, under conditions approved by the Board; or
  - (f) Any other method approved by the Board.

**NAC 353B.370 Remittance of payment pursuant to contract; consequences for failure to remit. (NRS 353B.090)**

1. A purchaser must remit payments pursuant to a contract on the dates and in the amounts set forth in the schedule for participation and payment provided to the purchaser by the Board.

2. If a purchaser fails to remit:

(a) A payment required pursuant to a contract within 30 days after the date the payment is due, the purchaser shall be deemed to be in default.

(b) The first payment required pursuant to a contract within 90 days after the date the payment is due, the Board may terminate the contract.

(c) All past due payments required pursuant to a contract within 180 days after the date the purchaser is deemed to be in default pursuant to paragraph (a), the Board may terminate the contract and provide to the purchaser a refund according to the terms of the master agreement.

Amend as follows:

***3. An Employer may remit payments on behalf of an employee who is a Purchaser or Legal Successor on an existing, active contract.***

***(a) Employee is responsible for providing proof of payments made to an active contract to their employer, along with the contract number for matching contribution qualification.***

***(b) Employer issuing matching contributions must provide the employee's name, contract number, and matching contribution payment to the address specified by the Program.***