

**PROPOSED REGULATION OF THE BOARD OF TRUSTEES OF  
THE COLLEGE SAVINGS PLANS OF NEVADA**

**LCB File No. R118-16**

August 18, 2016

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-3, NRS 353B.090; §4, NRS 353B.090 and 353B.100.

A REGULATION relating to the Nevada Higher Education Prepaid Tuition Program; establishing conditions relating to matching contributions made by an employer of an employee who makes contributions to the Nevada Higher Education Prepaid Trust Fund; revising provisions relating to amendments by the Board of Trustees of the College Savings Plans of Nevada to change the designation of the qualified beneficiary of a prepaid tuition contract; providing that a prepaid tuition contract may provide for payment by the purchaser on a monthly basis for a period of 120 months; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law establishes the Nevada Higher Education Prepaid Tuition Program and requires the Board of Trustees of the College Savings Plans of Nevada to adopt regulations to implement the Program. (NRS 353B.090, 353B.140) **Section 2** of this regulation sets forth various conditions an employer must meet to make a contribution to the Nevada Higher Education Prepaid Trust Fund that matches the contribution made by an employee of the employer on behalf of a qualified beneficiary.

Existing regulations provide that the Board of Trustees will amend a prepaid tuition contract to change the designated beneficiary under certain circumstances, including that no benefits have been paid pursuant to the contract. (NAC 353B.310) **Section 3** of this regulation removes that condition and adds a requirement that any new beneficiary to an existing prepaid tuition contract is subject to the original expiration date set forth in the contract.

Under existing regulations, a prepaid tuition contract may provide for payment by the purchaser by remittances on a monthly basis for a period of 60 months or from the time of enrollment until the qualified beneficiary graduates from high school. (NAC 353B.350) **Section 4** of this regulation additionally authorizes the remittance of payments on a monthly basis for a period of 120 months.

**Section 1.** Chapter 353B of NAC is hereby amended by adding thereto a new section to read as follows:

**Sec. 2. 1. *An employer may make a matching contribution to the Trust Fund on behalf of a qualified beneficiary on whose behalf a contract is drawn pursuant to NRS 353B.100.***

**2. *Before an employer makes a matching contribution to a contract pursuant to subsection 1, the employee must provide to the employer proof of payment on the contract.***

**3. *An employer that makes a matching contribution pursuant to this section must submit to the Board the:***

***(a) Name of the employee on whose behalf the matching contribution is made;***

***(b) The number of the contract; and***

***(c) Proof that the employer has made a matching contribution on behalf of the employee.***

**Sec. 3. NAC 353B.310 is hereby amended to read as follows:**

353B.310 **1.** 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.~~ **(a)** The purchaser requests the change and submits to the Board:

~~(a)~~ **(1)** The required fee;

~~(b)~~ **(2)** The name and date of birth of the proposed qualified beneficiary;

~~(c)~~ **(3)** The expected date of matriculation of the proposed qualified beneficiary; and

~~(d)~~ **(4)** Any other relevant information requested by the Board;

~~2.~~ **(b)** Either:

~~(a)~~ **(1)** The age of the proposed qualified beneficiary is less than the age of the existing qualified beneficiary plus 3 years; or

~~(b)~~ **(2)** 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;

~~3.— No benefits have been paid pursuant to the contract;~~

~~4.1~~ (c) The purchaser is not in default pursuant to NAC 353B.370; and

~~4.2~~ (d) The contract has not been terminated.

*2. If the Board amends a contract to change the designation of the qualified beneficiary pursuant to subsection 1, any new qualified beneficiary is subject to the original expiration date set forth in the contract.*

**Sec. 4.** NAC 353B.350 is hereby amended to read as follows:

353B.350 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; ~~for~~

(2) *For 120 months; or*

(3) 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.