

12I.6 Repayment and ownership of payments and investment income — transfer of ownership rights.

1. *a.* An account owner retains ownership of all contributions made on behalf of a designated beneficiary under a participation agreement up to the date of utilization for payment of qualified disability expenses of the designated beneficiary.

b. All income derived from the investment of the contributions made on behalf of a designated beneficiary shall be considered to be held in trust for the benefit of the designated beneficiary.

2. In the event the trust is terminated prior to payment of qualified disability expenses for the designated beneficiary, the account owner is entitled to a refund of the account owner's account balance.

3. Any amounts which may be paid to any person or persons pursuant to the Iowa ABLE savings plan trust but which are not listed in [this section](#) are owned by the trust.

4. An account owner may transfer ownership rights to another designated beneficiary, including a gift of the ownership rights to a designated beneficiary who is a minor, in accordance with rules adopted by the treasurer of state and the terms of the participation agreement, so long as the transfer would be permitted by section 529A of the Internal Revenue Code.

5. An account owner or designated beneficiary shall not be entitled to utilize any interest in the trust as security for a loan.

[2015 Acts, ch 137, §81, 162, 163](#)

Section takes effect July 2, 2015, and applies retroactively to July 1, 2015; 2015 Acts, ch 137, §162, 163
NEW section