

781—16.2(12D) Definitions. In addition to the terms defined in Iowa Code section 12D.1, the following terms apply to this chapter:

“*ABLE account*” means an account as defined in Section 529A of the Internal Revenue Code.

“*Account*” means an account established and maintained under the Iowa educational savings plan trust for a beneficiary.

“*Account balance*” means the fair market value of an account.

“*Account balance limit*” means the amount determined periodically by the program administrator as necessary to provide for the qualified higher education expenses of a beneficiary in accordance with Section 529. The account balance limit shall apply to the total of all accounts in the plans for the benefit of a beneficiary.

“*Account owner*” means the same as “participant” as defined in Iowa Code section 12D.1.

“*Adjusted maximum annual amount*” means the amount that an account owner may annually contribute to an account for a beneficiary and deduct from Iowa income taxes pursuant to Iowa Code chapter 422.

“*Beneficiary*” means the individual designated as the beneficiary of an account.

“*Contractor*” means any party retained by the program administrator to assist in the day-to-day operations of a plan, including record-keeping, investment advisory and administrative services. The program administrator may delegate any responsibilities with respect to day-to-day operations of a plan to one or more contractors.

“*Contribution*” means an amount contributed to an account in accordance with the Internal Revenue Code, these rules and the applicable program description.

“*Eligible educational institution*” means an eligible educational institution as defined in Section 529.

“*IAdvisor 529 plan*” means the name and logo registered to represent the advisor-sold plan under the Iowa educational savings plan trust.

“*Internal Revenue Code*” means the Internal Revenue Code as effective on July 1, 2024.

“*ISave 529*” means the name and logo registered under Iowa law to represent the direct-sold plan under the Iowa educational savings plan trust.

“*K-12 institution*” means any elementary or secondary public, private, or religious school as defined in Section 529 of the Internal Revenue Code.

“*Member of the family*” means a member of the family as defined in Section 529, except that for a qualified rollover to an ABLE account, “member of the family” shall mean as defined in Section 529A of the Internal Revenue Code.

“*Nonqualified withdrawal*” means a withdrawal from an account that is not a qualified withdrawal or a qualified rollover.

“*Participation agreement*” means the form that the account owner submits to the plan to identify the account owner, beneficiary, plan, and other information that may be requested by the plan.

“*Plan*” means either (1) ISave 529, (2) IAdvisor 529 plan, or (3) any other college savings plan established by the program administrator under the Iowa educational savings plan trust.

“*Program administrator*” means the treasurer of state.

“*Program description*” means the description of each plan provided to account owners setting forth information with respect to the plan.

“*Qualified higher education expenses*” means qualified higher education expenses as defined in Section 529. Any reference to qualified higher education expenses includes a reference to expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school as defined in Section 529.

“*Qualified rollover*” means a distribution of amounts from a plan, which, within 60 days of such distribution, is transferred: (1) to another qualified tuition program for the benefit of the same beneficiary, provided that it has been at least 12 months from the date of a previous transfer to a qualified tuition program for that beneficiary; (2) to another qualified tuition program (or an account in another plan) for the benefit of a member of the family of the beneficiary; or (3) to an ABLE account for the beneficiary or member of the family of the beneficiary, subject to ABLE account contribution limits. “Qualified rollover” also means a distribution from a plan made in a direct transfer-to-trustee transfer to a Roth IRA in accordance with the rules under 529(c)(3)(E) of the Internal Revenue Code.

“*Qualified withdrawal*” means a withdrawal from an account used to pay qualified higher education expenses.

“*Section 529*” means Section 529 of the Internal Revenue Code.

“*Successor account owner*” means a successor to the ownership of an account designated as such in accordance with rule 781—16.10(12D) and the applicable program description.

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