

781—20.2(12I) Definitions. In addition to the terms defined in Iowa Code section 12I.1, the following terms apply to this chapter:

“*Account*” means an account in the plan opened by the account owner or authorized individual on behalf of the account owner to receive contributions and to provide funds for qualified disability expenses.

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

“*Account balance limit*” means the amount set as such by the plan as set forth in the plan addendum. When the fair market value of an account reaches the account balance limit, no additional contributions will be accepted by the plan. Assets in an account can continue to accrue earnings beyond the account balance limit.

“*Account owner*” means the account owner as defined in Iowa Code section 12I.1. An account owner must be an eligible individual. References herein to an account owner include an authorized individual acting on behalf of an account owner.

“*Annual contribution limit*” means the annual limit on contributions from all sources to an account in a qualified ABLE program under Section 529A.

“*Authorized individual*” means a person or entity authorized to act on the account owner’s behalf with respect to the account in accordance with these rules and Section 529A. The authorized individual may neither have nor acquire any beneficial interest in the account during the account owner’s lifetime and must administer the account for the benefit of the account owner.

“*Beneficiary*” or “*designated beneficiary*” means the eligible individual who is the owner of the account.

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

“*Eligible individual*” means an eligible individual as defined in Section 529A.

“*Federal penalty tax*” means the additional federal tax imposed on the earnings portion of certain nonqualified withdrawals.

“*Fund*” means the underlying investments that are mutual funds, exchange-traded funds, bank products and any other investments in which assets of the plan are invested through the investment options.

“*Iable*” means the name and logo registered under Iowa law to represent the Iowa ABLE savings plan trust.

“*Internal Revenue Code*” means the Internal Revenue Code of 1986, as amended, and regulations promulgated or proposed thereunder.

“*Investment options*” means the investment choices offered by the plan. Account owners can choose to invest in any number of investment options.

“*IRS*” means the Internal Revenue Service.

“*Member of the family*” means a sibling of the eligible individual, whether by blood or by adoption, including a brother, sister, stepbrother, stepsister, half-brother, and half-sister.

“*Nonqualified withdrawal*” means any withdrawal that does not meet the requirements of being a qualified withdrawal or a rollover. Expenses will not be qualified disability expenses if they are incurred at a time when an account owner is not an eligible individual.

“*NYSE*” means the New York Stock Exchange, Inc.

“*Participation agreement*” means the agreement between the account owner and the plan that governs the account owner’s use of the plan.

“*Plan*” means the Iowa ABLE savings plan trust.

“*Plan addendum*” means the plan-specific disclosure document which contains substantive disclosure of the terms and conditions of an investment in the plan. The plan addendum is intended to be read with the plan disclosure statement.

“Plan administrator” means the treasurer of state as trustee and administrator of the plan.

“Plan disclosure documents” means the plan disclosure statement and the plan addendum applicable to the plan, including any supplements or amendments thereto.

“Plan disclosure statement” means the document adopted by the plan administrator which is intended to provide a description of the program and disclosure of the terms and conditions of an investment in the plan, including any supplements thereto distributed from time to time.

“Qualified disability expenses” means qualified disability expenses as defined in Section 529A.

“Qualified withdrawal” means any withdrawal from an account used to pay for qualified disability expenses of the account owner.

“Resident” means someone living in one location with the intent to remain there permanently or for a definite, indefinite or indeterminable length of time.

“Rollover” means a contribution to an account of an account owner (or of an eligible individual who is a member of the family of the account owner) of all or a portion of an amount withdrawn from the account owner’s account, provided the contribution is made within 60 days of the date of the withdrawal and, in the case of a rollover to the account owner’s ABLE account, no rollover has been made to an ABLE account of the account owner within the prior 12 months.

“Secretary” means the Secretary of the Treasury of the United States.

“Section 529A” means Section 529A of the Internal Revenue Code and regulations promulgated or proposed thereunder.

“Social Security Act” means the Social Security Act of 1935, as amended.

“State” means the state of Iowa.

“Treasurer” means the treasurer of the state of Iowa.

“Underlying investments” means the mutual funds, exchange-traded funds, bank products and any other investments in which assets of the plan are invested through the investment options.

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