

781—16.7 (12D) Contributions. Contributions are deductible under Iowa income tax laws in accordance with regulations of the department of revenue. Participation agreements may require participants to agree to invest a specific amount of money in a plan for a specific period of time for the benefit of a specific beneficiary. This rule provides for implementation of this provision.

16.7(1) The program administrator will provide each participant a fourth quarter statement. In addition, the program administrator will provide each participant that had an account with either contributions or withdrawals in the first, second, or third quarter with a quarterly statement for that account. Participants are allowed to make contributions at any time during the calendar year provided that each contribution is made in accordance with the minimum contribution and other requirements set forth in the program description.

16.7(2) The program administrator shall actuarially determine an account balance limit applicable to the total of all accounts in the plans for the benefit of each beneficiary. No additional contributions may be made on behalf of a beneficiary if the total of the account balances of all accounts held for the beneficiary exceed the applicable account balance limit.

16.7(3) Beginning in 2000 and each year thereafter, the program administrator shall determine the maximum amount that a participant may contribute and deduct from Iowa income taxes pursuant to Iowa Code chapter 422 on behalf of a beneficiary for the calendar year by applying the applicable inflation adjustment. The adjusted annual maximum shall be communicated to participants in the plans and to the public in any reasonable manner determined by the program administrator.

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