

781—16.9 (12D) Change of participant or account owner. The participant is the initial owner of the account established under a plan and, as such, has the exclusive right to cancel the participation agreement or change the designated beneficiary in accordance with these rules and the applicable program description.

16.9(1) A participant may transfer the participant's current ownership rights in an account to another eligible individual, an individual's legal representative, a trust, an estate, or an organization described in Section 501(c)(3) of the Internal Revenue Code and exempt from taxation under Section 501(a) of the Internal Revenue Code or to a beneficiary. To do so, the participant shall complete the appropriate form.

16.9(2) A participant may also designate on the participation agreement a successor. A participant may change the designated successor by completing the appropriate form. The designated successor shall succeed to the ownership of the account in the event of the death of the participant. Upon the death of the participant, the successor participant must notify the plan by submitting a completed participant agreement form and a certified copy of the death certificate. The change in ownership of the account will become effective for the successor participant once this paperwork has been received and processed.

16.9(3) In the event a participant or other account owner dies and has not designated a successor to the account, the following criteria will be used.

a. The designated beneficiary, if 18 years of age or older, shall become the owner of the account as well as remain the beneficiary upon filing the appropriate forms.

b. If the designated beneficiary is under the age of 18, account ownership will be transferred to a surviving parent or other legal guardian of the beneficiary upon the filing of the appropriate forms.

16.9(4) The participant may name a successor to the account even though the successor may already have established or may have plans to establish a plan account.

[ARC 2875C , IAB 12/21/16, effective 1/25/17]