

3334-1-01

Definitions.

Terms not defined in this rule are defined in section 3334.01 of the Revised Code.

- (A) “Account” means the formal record of all transactions related to a particular beneficiary for a particular account owner and includes all investment options selected by the account owner. Accounts may exist under either the Ohio college savings program and/ or the Ohio variable college savings program.
- (B) “Account owner” means the person who establishes and owns an account which includes making withdrawals, designating a beneficiary and selecting investment options. An account owner can be a purchaser or contributor.
- (C) “Authority” means the Ohio tuition trust authority which was created by the Ohio legislature under Chapter 3334. of the Revised Code to administer Ohio’s college savings programs in order to help prepare families financially for the costs of higher education.
- (D) “Eligible education institution” means under section 529 of the Internal Revenue Code generally as an accredited post-secondary educational institution offering credit toward a bachelor’s degree, an associate’s degree, a graduate level or professional degree, or another recognized post-secondary credential. Certain proprietary institutions and post-secondary vocational institutions and certain institutions located in foreign countries are eligible educational institutions. To be an eligible educational institution, the institution must be eligible to participate in U.S. department of education student aid programs.
- (E) “Guaranteed savings fund” means those accounts whether containing tuition credits and/or tuition units which have the financial backing through the full faith and credit of the state of Ohio as more specifically set forth in Section 6 of Article VI, Ohio Constitution.
- (F) “Incompetency” means the condition of a person, other than a minor, who is temporarily impaired by mental illness, mental deficiency, physical illness or disability, or alcohol or drug use to the extent that the person lacks sufficient understanding to make or communicate responsible decisions or to enter into contracts.
- (G) “Investment options” means the various forms of investments being offered to account owners through the authority’s trust funds such as mutual funds, bank savings accounts, bank certificates of deposit and such other investments selected by the authority from time to time.
- (H) “Maximum contribution limit” means the amount determined by the authority that is necessary to pay the qualified higher education expenses of the designated beneficiary.
- (I) “Member of the family” means a person related to the beneficiary as follows: a son or

- daughter, or a descendant of either; a stepson or stepdaughter; a brother, sister, stepbrother or stepsister; the father or mother or an ancestor of either; a stepfather or stepmother; a son or daughter of a brother or sister; a brother or sister of the father or mother; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; the spouse of the beneficiary or of any of the other foregoing individuals; or any first cousin of the beneficiary.
- (J) “Ohio college savings program” means the prepaid college savings program offered by the authority under which both tuition credits and/or tuition units are offered and which are included under the guaranteed savings fund. This program commenced on October 1, 1989.
- (K) “Ohio tuition trust fund” means the trust fund created under and pursuant to division (A) of section 3334.11 of the Revised Code for which the authority serves as trustee.
- (L) “Ohio variable college savings program” means the college savings program offered by the authority under which only program unit shares are offered but which are not included under the guaranteed savings fund and therefore the underlying investments of said program unit shares are subject to risk. This program commenced on December 1, 2000.
- (M) “Ohio variable college savings trust fund” means the trust fund created pursuant to division (C) of section 3334.20 of the Revised Code for which the authority serves as trustee.
- (N) “Participation agreement” means the agreement contained in the authority’s offering statement and which sets forth the rights, obligations and duties of the account owner and the authority in relation to each other.
- (O) “Permanent disability” means, upon acceptance of such proof as the authority may require, establishing that an individual cannot meet the academic and technical standards requisite to admission or participation in any program or activity of an institution of higher education due to the individual’s physical or learning disability and whose disability has lasted or can be expected to last for a continuous period of not less than twelve months. However, an individual with a physical or learning disability which has lasted or can be expected to last for a continuous period of not less than twelve months is not considered to have a permanent disability if that individual is otherwise qualified to enroll or to continue to be enrolled at any institution of higher education and is able to safely and substantially perform an educational program’s essential requirements with reasonable accommodation.
- (P) “Person” means an individual or a trust who may be an account owner, beneficiary or successor owner.
- (Q) “Program unit share” means that measure of ownership held by an account owner in the Ohio variable college savings trust fund.

- (R) “Resident alien” means a non-U.S. citizen who has a legally established domicile in the United States.
- (S) “Revised Code” means the Ohio Revised Code which sets forth all of Ohio’s statutory law as created and enacted by the Ohio legislature.
- (T) “Successor owner” means the person designated by an account owner to succeed the account owner in the event of the death, incompetence or permanent disability of the account owner.
- (U) “Tuition credit” means that measure of ownership of an account owner in the Ohio tuition trust fund purchased prior to July 1, 1994. One tuition credit entitles the beneficiary to a minimum payment of 1.15 per cent of the weighted average tuition at the time the tuition credit is used but not less than one per cent of the full time undergraduate tuition for an academic year at a state institution of higher education at which the beneficiary is enrolled. Tuition credits are guaranteed by the state of Ohio under the guaranteed savings fund.
- (V) “Tuition payment contract” means a contract between a purchaser and the authority for the purchase of tuition credits and/or tuition units under the Ohio college savings program.
- (W) “Tuition unit” means that measure of ownership of an account owner in the Ohio tuition trust fund purchased on or after July 1, 1994 but prior to January 1, 2004.. One tuition unit entitles the beneficiary to an amount equal to one percent of the weighted average tuition at the time the tuition unit is used. Tuition units are guaranteed by the state of Ohio under the guaranteed savings fund.
- (X) “Variable college savings contract” means a contract between a contributor and the authority for the purchase of program unit shares under the Ohio college savings program.

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Certification

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Date

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