

11 KAR 12:010. Definitions for 11 KAR Chapter 12.

RELATES TO: KRS 164A.300-164A.380

STATUTORY AUTHORITY: KRS 164A.325(9)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164A.325(9) authorizes the board to promulgate administrative regulations to implement the Kentucky Educational Savings Plan Trust. This administrative regulation establishes the definitions for 11 KAR Chapter 12.

Section 1. Definitions. (1) "Academic period" means one (1) semester or one (1) quarter or an equivalent period for a vocational technical institution.

(2) "Account" means the account in the program fund established and maintained under the trust for a beneficiary.

(3) "Account balance" means the fair market value of an account as of the accounting date.

(4) "Accounting date" means the date, not later than the last business day of each quarter as determined by the program administrator.

(5) "Administrative fund" is defined in KRS 164A.305(2).

(6) "Beneficiary" is defined in KRS 164A.305(3).

(7) "Benefits" is defined in KRS 164A.305(4).

(8) "Board" is defined by KRS 164A.305(5).

(9) "Dependent person" means a person who is unable to meet the criteria for an independent person as defined in subsection (14) of this section.

(10) "Designated date" means the date on which each beneficiary is eligible to be designated in a participation agreement.

(11) "Domicile" or "legal residence" means a person's true, fixed, and permanent home and is the place where the person intends to remain, and to which the person expects to return if absent without intending to establish a new domicile elsewhere.

(12) "Effective date" means the date which a participant may enter into a participation agreement with the trust, which is on or after July 1, 1989.

(13) "Higher education costs" is defined by KRS 164A.305(6).

(14) "Independent" means a person:

(a) Who has not been claimed by his parent as a dependent on a federal or state income tax return for the tax year preceding the date of application for reclassification of residency status;

(b) Who demonstrates no financial dependence upon a parent; and

(c) Whose parent's income is not taken into account by a private or governmental agency furnishing educational financial assistance to the person, including a scholarship, loan, or other assistance.

(15) "Institution of higher education" is defined in KRS 164A.305(7).

(16) "Notice to authorize payroll deduction" means the participant's written instruction to the participant's employer to deduct payments from the participant's earnings and forward that amount to the trust.

(17) "Notice to increase or decrease payments under participation agreement" means the participant's written instruction to the program administrator of the trust to increase or decrease payments under a participation agreement.

(18) "Notice to preauthorize debit" means the participant's written instruction to the participant's financial institution to debit or charge the participant's checking or savings account for payments due under the participation agreement.

(19) "Notice to substitute beneficiary" means the participant's written instruction to the program administrator of the trust to substitute a beneficiary.

(20) "Notice to terminate the participation agreement" means the participant's written instruction to

the program administrator of the trust to terminate a participation agreement under the trust.

(21) "Notice to use trust benefits" means the participant's written instruction to the program administrator of the trust to notify the trust of the date benefits are to begin and level of benefits paid.

(22) "Parent" means one (1) of the following:

(a) A person's father or mother; or

(b) A court-appointed legal guardian if the guardianship was not established primarily to confer Kentucky residency on the person.

(23) "Participant" is defined in KRS 164A.305(9).

(24) "Participation agreement" is defined in KRS 164.305(10).

(25) "Payments" means the money paid by the participant to the trust under the participation agreement.

(26) "Program administrator" is defined in KRS 164A.305(11).

(27) "Program fund" is defined in KRS 164A.305(12).

(28) "Property settlement agreement" or "decree of dissolution by the court" means the agreement or judgment approved or entered by a court of competent jurisdiction which sets forth the participant's right, if any, to the participant's interest in the participation agreement.

(29) "Trust year" means the fiscal year beginning July 1 and ending the following June 30 of each year for purposes of the calculation of benefits.

(30) "Vested participation agreement" is defined in KRS 164A.305(14). (17 Ky.R. 3568; eff. 8-2-1991; 19 Ky.R. 433; eff. 10-1-1992; 25 Ky.R. 392; 810; eff. 10-1-1998; 26 Ky.R. 85; 557; eff. 9-1-1999; 2284; 27 Ky.R. 471; eff. 8-14-2000; 28 Ky.R. 1437; 1789; eff. 2-11-2002; 29 Ky.R. 985; eff. 12-18-2002; Crt eff. 9-28-2018.)