

11 KAR 17:070. Using prepaid tuition contract benefits.

RELATES TO: KRS 164A.705, 164A.709

STATUTORY AUTHORITY: KRS 164A.704(1), (6), 2003 Ky. Acts ch. 156, Part IX, Sec. 46, EO 2003-652

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164A.704(1) requires the board to promulgate administrative regulations to implement KRS 164A.700 to 164A.709. KRS 164A.704(6) provides that the board shall develop requirements, procedures, and guidelines regarding prepaid tuition contracts. 2003 Ky. Acts ch. 156, Part IX, Section 46, and EO 2003-652 transferred the governance and administration of the Prepaid Tuition Program from the Department of Treasury to the Kentucky Higher Education Assistance Authority. This administrative regulation establishes the procedure and guidelines for using prepaid tuition contract benefits if a qualified beneficiary is accepted and enrolled in an eligible educational institution.

Section 1. Payment of Value of the Prepaid Tuition Contract to an Eligible Educational Institution. (1) A purchaser shall submit sufficient documentation to the office indicating the admission of a qualified beneficiary at an eligible educational institution. Failure to timely submit this written notice to the office shall result in the assessment of a late notice fee as required by 11 KAR 17:100 and delay in the payment from the fund for qualified postsecondary education expenses.

(2) Payments for qualified postsecondary education expenses shall be paid by the fund only if the prepaid tuition contract has been paid up-to-date, including payment of all applicable administrative fees.

Section 2. Remaining Prepaid Tuition Contract Value. (1) If the value of the prepaid tuition account exceeds the amount paid by the fund to an eligible educational institution on behalf of a qualified beneficiary, the purchaser may make a written request to the office for payment of any remaining value for any qualified postsecondary education expenses.

(2) If a qualified beneficiary receives a scholarship which eliminates or reduces the amount of tuition to be paid to the eligible educational institution at which the qualified beneficiary is enrolled, the purchaser may request in writing to the office to:

(a) Use any remaining value of the prepaid tuition contract for the payment of other qualified postsecondary education expenses; or

(b) Receive a refund for the academic year under KRS 164A.709(5). (30 Ky.R. 761; 1196; eff. 12-1-2003; Crt eff. 9-28-2018.)