

11 KAR 17:080. Terminating a prepaid tuition contract.

RELATES TO: KRS 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 requirements for terminating a prepaid tuition contract.

Section 1. Termination. (1) To terminate a contract pursuant to KRS 164A.709(2)(a) or (5), the following documentation shall be submitted in a written request to the office to terminate a prepaid tuition contract:

(a) For termination due to the death or disability of a qualified beneficiary, the purchaser shall submit sufficient documentation evidencing the death or disability of the qualified beneficiary; or

(b) For termination due to a qualified beneficiary's receipt of a scholarship to an eligible educational institution, the purchaser shall submit sufficient documentation evidencing the beneficiary's eligibility of the scholarship and the scholarship amount.

(2) In accordance with KRS 164A.709(2)(a) or (5), a purchaser shall be notified of the date of the termination of the prepaid tuition contract and any applicable refund amount.

Section 2. Termination Due to Fraud or Misrepresentation. If a prepaid tuition contract is terminated by the board pursuant to KRS 164A.709(8) due to the fraud or misrepresentation of a purchaser or qualified beneficiary, a refund shall be:

(1) Paid in accordance with 11 KAR 17:090; and

(2) Offset by the applicable fees and costs incurred by the board as a result of the fraud or misrepresentation. (30 Ky.R. 763; 1196; eff. 12-1-2003; Crt eff. 9-28-2018.)