

**KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**  
**Division of Student Financial Aid**  
**(Amendment)**

**11 KAR 12:070. Benefits payable from the Kentucky Educational Savings Plan Trust Program fund.**

RELATES TO: KRS 164A.310(8), 164A.330(5), 164A.335, 26 U.S.C. 529

STATUTORY AUTHORITY: KRS 164A.310(14), 164A.325(9)

CERTIFICATION STATEMENT: This is to certify that this administration regulation complies with the requirements of 2025 RS HB 6, Section 8.

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 maximum benefits payable in an academic period, the duration of the payments, the payment of benefits for a beneficiary residing off campus and the notice provisions for a refund of the payments for nonuse or unused benefits from the program fund.

**Section 1. Distribution of Benefits.**

(1) Upon submission of a notice to use trust benefits, the participant shall specify the level of benefits to be paid. The participant shall elect distribution of an allotment of the account balance or a higher amount, which shall not exceed the beneficiary's higher education costs for each academic period. The may adjust the level of benefits paid in an academic period by notifying the program administrator in writing either by mail or electronically.

(2) Distribution of benefits shall begin on request and continue throughout the beneficiary's period of enrollment at an institution of higher education, or until the account balance has been exhausted, whichever occurs first.

(3) If a participant transfers ownership rights pursuant to KRS Chapter 385, Uniform Transfers to Minors Act, notwithstanding KRS 385.202(1), which mandates the transfer of custodial property to the minor upon attainment of age eighteen (18), the property shall be distributed for postsecondary educational purposes in accordance with the terms of the participation agreement during each academic period of the beneficiary's educational program.

**Section 2. Beneficiary Residing Off Campus.** If a beneficiary resides off campus, upon written request of the participant, the program administrator shall pay to the beneficiary or participant, for room and board for an academic period, that portion of higher education costs not paid to the institution that shall not exceed the amount of the beneficiary's higher education costs permitted for room and board pursuant to 26 U.S.C. 529.

**Section 3. Unused Benefits.**

(1) During academic period. If a beneficiary's higher education costs are less than the benefits due, that portion of the unused benefits shall accumulate to the beneficiary's account. The unused benefits plus the beneficiary's entitlement in the program fund not exceeding the higher education costs may be paid for the beneficiary at a future date.

(2) After education attainment. If the beneficiary completes education attainment, and a balance remains in the beneficiary's account, the program administrator shall pay, upon the written request of the participant submitted by mail or electronically, the balance of the payments and the earnings from the investments in the program fund remaining in the account to the participant pursuant to KRS 164A.350.

(011 KAR 012:070. 17 Ky.R. 3576; eff. 8-2-1991; 19 Ky.R. 440; eff. 10-1-1992; 2482; eff. 7-1-1993; 21 Ky.R. 2724; 22 Ky.R. 31; eff. 7-6-1995; 25 Ky.R. 397; 812; eff. 10-1-1998; 26

Ky.R. 89; 558; eff. 9-1-1999; 2288; eff. 8-14-2000; Crt eff. 9-28-2018; 52 Ky.R. 189; eff. 3-3-2026.)

*GREG ROUSH, Chair*

APPROVED BY AGENCY: June 12, 2025

FILED WITH LRC: July 11, 2025 at 8:25 a.m.

**PUBLIC HEARING AND COMMENT PERIOD:** A public hearing on this administrative regulation shall be held on Wednesday, September 24, 2025 at 10:00 a.m. Eastern Time at 100 Airport Road, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through September 30, 2025. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

**CONTACT PERSON:** Hon. Miles F. Justice, General Counsel, Kentucky Higher Education Assistance Authority, P.O. Box 798, Frankfort, Kentucky 40602-0798, phone (502) 696-7309, fax (502) 696-7293, email [mjustice@kheaa.com](mailto:mjustice@kheaa.com).