

## **11 KAR 17:040. Applying for a prepaid tuition contract.**

RELATES TO: KRS 164A.700, 164A.705, 164A.707, 164A.709

STATUTORY AUTHORITY: KRS 164A.704(1), (6)

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. This administrative regulation establishes the procedure for applying for a prepaid tuition contract.

### **Section 1. Application.**

(1) A purchaser desiring to enter into a prepaid tuition contract shall submit a completed "Application for Enrollment" with the application fee required by 11 KAR 17:100 to the office during the application period. Only one (1) purchaser per prepaid tuition contract shall be allowed.

(2) After acceptance of the application and application fee by the office, the purchaser shall receive a prepaid tuition contract terms and conditions of payment and purchase.

(3)

(a) The application shall become part of the prepaid tuition contract which shall be comprised of:

1. The application;
2. The prepaid tuition contract terms and conditions of payment and purchase; and
3. The master agreement.

(b) The prepaid tuition contract shall become valid upon receipt by the office of:

1. The first installment payment due under the payment schedule; or
2. The one (1) time lump sum payment representing the full purchase price of the prepaid tuition contract.

(c) The prepaid tuition contract shall include the following terms:

1. The specific amount and number of payments required under the tuition plan elected by the purchaser;
2. The specific terms under which the purchaser shall make payments to the fund, including the dates upon which each payment is due;
3. Consequences of payment default by the purchaser;
4. The name and enrollment date of the beneficiary, except in the case of a gift as described in KRS 164A.707(6) and 164A.704(10);
5. The terms under which an amendment to a prepaid tuition contract may be made;
6. The specific tuition plan selected by the purchaser;
7. The terms under which the office is obligated to pay tuition from the fund under a prepaid tuition contract; and
8. Any other term deemed appropriate by the board.

**Section 2. Proof of Residency and Statement of Intent.** In submitting an application, the purchaser shall demonstrate that the beneficiary of the prepaid tuition contract is a qualified beneficiary. The purchaser shall submit the following to the office to establish that the beneficiary is a qualified beneficiary:

(1) If the beneficiary is a Kentucky resident, a signed and sworn statement from the purchaser certifying that the beneficiary is a Kentucky resident; or

(2) If the beneficiary is not a Kentucky resident, a signed and sworn statement from the purchaser that states that at the time of purchase of the prepaid tuition contract, the beneficiary intends to attend an eligible educational institution in Kentucky.

### **Section 3. Incorporation by Reference.**

(1) "Application for Enrollment", August 2004, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Higher Education Assistance Authority, 100 Airport Road, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. (30 Ky.R. 758; 1194; eff. 12-1-2003; 31 Ky.R. 784; eff. 1-4-2005; Cert eff. 9-28-2018; Cert eff. 10-1-2024.)