

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2202 Session of 2014

INTRODUCED BY GREINER, MILLARD, HICKERNELL, BLOOM, MACKENZIE, MCGEEHAN, YOUNGBLOOD, AUMENT, MCGINNIS, FEE, CUTLER, GROVE, MURT, WATSON AND DENLINGER, APRIL 28, 2014

REFERRED TO COMMITTEE ON FINANCE, APRIL 28, 2014

AN ACT

1 Amending the act of April 3, 1992 (P.L.28, No.11), entitled, as
 2 amended, "An act providing for the establishment of two
 3 programs for postsecondary educational savings, a guaranteed
 4 savings program and an investment program; establishing the
 5 Tuition Account Programs Bureau within the Treasury
 6 Department and providing duties for the Treasury Department;
 7 establishing tuition account funds; providing for Tuition
 8 Account Program Contracts; providing for the establishment of
 9 scholarship programs; and further providing for duties of the
 10 Pennsylvania Higher Education Assistance Agency," further
 11 providing for general provisions governing both tuition
 12 account programs.

13 The General Assembly of the Commonwealth of Pennsylvania
 14 hereby enacts as follows:

15 Section 1. Section 309.2 of the act of April 3, 1992 (P.L.
 16 28, No.11), known as the Tuition Account Programs and College
 17 Savings Bond Act, added June 22, 2000 (P.L.418, No.58), is
 18 amended to read:

19 Section 309.2. General provisions governing both tuition
 20 account programs.

21 (a) Levy, execution and security for loans.--A tuition
 22 account, any state-qualified tuition program plan or any legal

1 interest therein shall not be subject to attachment, levy or
2 execution by any creditor of [an] any account owner or
3 beneficiary and shall not be used as security for a loan.

4 (b) Period of participation.--Notwithstanding any of the
5 provisions of this chapter, the following shall apply:

6 (1) Except as provided in paragraph (2), a minimum
7 period of one year must elapse between the time a
8 contribution is made pursuant to a Tuition Account Program
9 Contract and the time that contribution and any increase in
10 its value may be used for payment of qualified higher
11 education expenses pursuant to section 309 or 309.1.

12 (2) The board may prescribe an alternative minimum
13 period of time which must elapse between a contribution and
14 its use for payment of qualified higher education expenses.

15 (c) Student aid.--Any amounts contributed pursuant to a
16 Tuition Account Program Contract, any state-qualified tuition
17 program plan and any increase in the value thereof shall not be
18 used in calculating personal asset contributions for determining
19 eligibility and need for student loan programs, student grant
20 programs or other student aid programs administered by any
21 agency of the Commonwealth, except as otherwise may be provided
22 by Federal law.

23 (d) Excess contributions.--The department shall institute
24 adequate safeguards to prevent contributions to an account or
25 multiple accounts that are in excess of those necessary to
26 provide for the qualified higher education expenses of the
27 beneficiary of that account or accounts, as specified in section
28 529 of the Internal Revenue Code of 1986 (Public Law 99-514, 26
29 U.S.C. § 529).

30 (e) Cash contributions.--A contribution made pursuant to a

1 Tuition Account Program Contract may only be made in cash, which
2 may at the department's discretion include checks, money orders,
3 credit cards or other similar methods.

4 (f) Transfers between programs.--The department, pursuant to
5 a Tuition Account Program Contract, may specify the terms and
6 conditions under which transfers of contributions and any
7 increased value thereof may be made from one account to another
8 by an account owner who has entered into a Tuition Account
9 Guaranteed Savings Program Contract and a Tuition Account
10 Investment Program Contract. Nothing in this subsection shall be
11 construed to require the department to allow such transfers.

12 Section 2. This act shall take effect in 60 days.