

**RULES
OF
THE TENNESSEE DEPARTMENT OF TREASURY
FINANCIAL EMPOWERMENT DIVISION**

**CHAPTER 1700-08-01
ACHIEVING A BETTER LIFE EXPERIENCE PROGRAM**

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1700-08-01-.01 PURPOSE.

The purpose of these rules is to establish and implement the Achieving a Better Life Experience (ABLE) Act and to establish a qualified ABLE program as an agency and instrumentality of the state to assist an Eligible Individual in saving money to meet the Eligible Individual's Qualified Disability Expenses. The intent of the program is to encourage and assist individuals and families to save private funds for the purpose of supporting individuals with disabilities to maintain health, independence and quality of life.

Authority: T.C.A. § 71-4-802 and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016.

1700-08-01-.02 DEFINITIONS.

For the purposes of these rules the following definitions shall apply:

- (1) "ABLE" means Achieving a Better Life Experience.
- (2) "Act" means Chapter 470 of the 2015 Public Acts.
- (3) "ABLE Account" means an account established by, owned by, and for the benefit of an Eligible Individual, who is also the Designated Beneficiary on the Account, and maintained under a Qualified ABLE Program for payment of the Eligible Individual's Qualified Disability Expenses, as provided in the Act.
- (4) "Code" means § 529A of the Internal Revenue Code of 1986, codified in 26 U.S.C. § 529A, as amended, and all rules, regulations, notices, and interpretations released by the United States department of treasury, including the internal revenue service.
- (5) "Contract" means a contract for an Eligible Individual's participation in the State's Qualified ABLE Program.
- (6) "Contracting State" means a State without a Qualified ABLE Program that has entered into a contract with a State with a Qualified ABLE Program to provide residents of the Contracting State access to a Qualified ABLE Program.
- (7) "Contribution" or "Contributions" means any payment directly allocated to an ABLE Account for the benefit of a Designated Beneficiary.
- (8) "Contributor" means the Person or Persons contributing money to an ABLE Account.

(Rule 1700-08-01-.02, continued)

- (9) "Designated Beneficiary" means the Eligible Individual who has established and owns an ABLE Account, and for whose benefit the ABLE Account has been established.
- (10) "Disability Certification" means a certification that the Eligible Individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months, or is blind within the meaning of § 1614(a)(2) of the Social Security Act; and such blindness or disability occurred before the date on which the individual attained age twenty-six (26); and includes a copy of the Eligible Individual's diagnosis relating to the individual's relevant impairment or impairments, signed by a physician meeting the criteria of § 1861(r)(1) of the Social Security Act.
- (11) "Distribution" means any payment from an ABLE Account, except for a Program-to-Program Transfer.
- (12) "Eligible Individual" means an individual who is entitled to benefits based on blindness or disability under title II or XVI of the Social Security Act, and such blindness or disability occurred before the date on which the individual attained age twenty-six (26), or a Disability Certification with respect to such individual filed with the Secretary of the United States department of the treasury for such taxable year. The Eligible Individual is the ABLE Account owner and the Designated Beneficiary on the ABLE Account.
- (13) "Excess Contribution" means the amount contributed to an ABLE Account during the taxable year of the Designated Beneficiary that exceeds the limit in effect under 26 U.S.C. § 2503(b) for the calendar year in which the taxable year of the Designated Beneficiary begins, unless such contribution is otherwise permitted by the Code.
- (14) "Excess Aggregate Contribution" means the amount contributed to an ABLE Account during the taxable year of the Designated Beneficiary that causes the total amounts contributed since the establishment of the ABLE Account (or of an ABLE Account for the same Designated Beneficiary that was rolled into the current ABLE Account) to exceed the limit in effect under 26 U.S.C. § 529(b)(6).
- (15) "Individualized Education Account or IEA" means an account created pursuant to T.C.A. §§ 49-10-1401 through 49-10-1406.
- (16) "Legal Representative" means an individual who or entity that may neither have nor acquire any beneficial interest in an ABLE Account during the lifetime of the Designated Beneficiary, but can act on behalf of and for the benefit of a Designated Beneficiary for the purpose of establishing, maintaining, transacting, and terminating an ABLE Account. Not inconsistent with the Code, a legal representative shall include, but not be limited to, an individual or entity with a power of attorney, or parent or legal guardian.
- (17) "Member of the Family" means a Designated Beneficiary's sibling, whether by blood or by adoption, which includes a brother, sister, stepbrother, stepsister, half-brother, and half-sister.
- (18) "Person" means an individual, association, corporation, trust, charitable organization, or other such entity.
- (19) "Program-to-Program Transfer" means the direct transfer of the entire balance of an ABLE Account into an ABLE Account of the same designated beneficiary in which the transferor ABLE Account is closed upon completion of the transfer, or of part or all of the balance to an ABLE Account of another Eligible Individual who is a Member of the Family of the former

(Rule 1700-08-01-.02, continued)

Designated Beneficiary, without any intervening Distribution or deemed Distribution to the Designated Beneficiary.

- (20) "Rollover" means a Contribution to an ABLE Account of a Designated Beneficiary (or of an Eligible Individual who is a Member of the Family of the Designated Beneficiary) of all or a portion of an amount withdrawn from the Designated Beneficiary's ABLE Account, provided the Contribution is made within sixty (60) days of the date of the Distribution and, in the case of a Rollover to the Designated Beneficiary's ABLE Account, no rollover has been made to an ABLE Account of the Designated Beneficiary within the prior twelve (12) months.
- (21) "Qualified ABLE Program" or "Program" means the ABLE program that is a qualified program pursuant to and in compliance with the Code, and that is created pursuant to the Act.
- (22) "Qualified Disability Expenses" means any expenses related to the Eligible Individual's blindness or disability which are made for the benefit of an Eligible Individual who is the Designated Beneficiary. Qualified disability expenses include expenses for the following: education; housing; transportation; employment training and support; assistive technology and personal support services; health; prevention and wellness; financial management and administrative services; legal fees; expenses for oversight and monitoring; funeral and burial expenses; and other expenses approved pursuant to the Code.
- (23) "Redemption Value" means the current cash value of an ABLE Account attributable to the sum of the principal invested, and the earnings or losses incurred thereon.
- (24) "Refund" means the Redemption Value of the ABLE Account at the time the refund is made, minus any applicable fee charged by the State.
- (25) "State" means the State of Tennessee.
- (26) "Trustees" means state treasurer; the commissioner of finance and administration; the chair of the finance, ways and means committee of the Senate; and the chair of the finance, ways and means committee of the House of Representatives.

Authority: T.C.A. §§ 71-4-803; 71-4-804(b); 71-4-805; 71-4-806; and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016. Amendments filed December 4, 2018; effective March 4, 2019.

1700-08-01-.03 PROHIBITIONS.

- (1) No interest in the Program or a portion of the Program shall be used as security for a loan.
- (2) No interest in an ABLE Account may be sold or exchanged.

Authority: T.C.A. §§ 71-4-805; 71-4-806; and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016.

1700-08-01-.04 ELIGIBILITY AND APPLICATION REQUIREMENTS.

- (1) Eligibility. In order for an Eligible Individual to participate in the Program as the owner of an ABLE Account, the Eligible Individual shall meet the following eligibility requirements by providing the following to the State:
 - (a) Proof that the Eligible Individual is a resident of the State or of a Contracting State as of the date of application to participate in the Program;
 - (b) Proof that he or she meets the definition of an Eligible Individual by providing:

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1. A completed and signed certification, affidavit, attestation, verification or declaration indicating that he or she is an Eligible Individual;
 2. A completed and signed authorization allowing the State to verify his or her status as an Eligible Individual; or
 3. Documentation indicating that he or she is an Eligible Individual.
 - (c) A completed and signed application on a form prescribed by the State; and
 - (d) Any other documentation or information required by the Code.
- (2) Application. The Eligible Individual or the Eligible Individual's Legal Representative shall provide the following to the State accompanying the Eligible Individual's completed and signed application to participate in the Program:
- (a) Proof that the Eligible Individual has a Legal Representative who/that has the authority to administer the Eligible Individual's ABLE Account for the benefit of the Eligible Individual, to the extent that the Eligible Individual wishes to participate in the Program through a Legal Representative;
 - (b) A completed and signed certification, affidavit, attestation, verification or declaration signed under penalty of perjury indicating that the Eligible Individual has no other existing ABLE Account, other than an ABLE Account that will terminate with a Rollover or Program-to-Program Transfer into the new ABLE Account;
 - (c) Investment selection(s) made by the Eligible Individual or the Eligible Individual's Legal Representative. At least one (1) investment option must be selected. If more than one (1) investment option is chosen by the Eligible Individual or the Eligible Individual's Legal Representative, then the Eligible Individual or the Eligible Individual's Legal Representative must allocate the Contribution among the chosen investment options; and
 - (d) An initial Contribution of at least twenty-five dollars (\$25.00). This initial minimum Contribution amount will also apply to the Contribution of IEA funds into an ABLE Account.
- (3) Confirmation. If all of the requirements contained in the Code, the Act and this chapter are met to open an ABLE Account, the State shall send a confirmation of acceptance to the Eligible Individual and will credit the Eligible Individual's ABLE Account with the amount of the initial Contribution made.
- (4) Rejection. If an Eligible Individual fails to provide all of the information required in this rule within thirty (30) calendar days of the State's receipt of the Eligible Individual's application, the State Treasurer may reject the application and refund to the Eligible Individual or the Eligible Individual's Legal Representative all Contributions made less any applicable fees. Rejection of an application shall not preclude the Eligible Individual from enrolling in the Program in the future.
- (5) Fraud. The State Treasurer may terminate an Eligible Individual's Contract if the Eligible Individual or the Eligible Individual's Legal Representative knowingly makes any false statement or falsifies or permits to be falsified any record or records of the Program. The amount of the refund to which the Designated Beneficiary is entitled shall be equal to the Redemption Value of the ABLE Account at the time the refund is made, minus any applicable fee charged by the State.

(Rule 1700-08-01-.04, continued)

- (6) Inactivity. If a period of ten (10) consecutive years passes with no Contributions having been made to the Designated Beneficiary's ABLE Account, or with no correspondence from the Designated Beneficiary or the Designated Beneficiary's Legal Representative, the State Treasurer shall report and deliver the amount of any refund payable under the Contract to the Tennessee Department of Treasury's Unclaimed Property Division pursuant to title 66, chapter 29, part 1. Prior to delivering the refund, the State Treasurer shall make reasonable efforts to locate the Designated Beneficiary or the Designated Beneficiary's Legal Representative. The refund shall be equal to the Redemption Value of the ABLE Account at the time the refund is delivered, minus any applicable fee charged by the State. Upon payment of the refund to the State Treasurer, the State's obligations under the Contract shall cease.
- (7) Fees. The State Treasurer may charge fees to the Designated Beneficiary or collect fees from each ABLE Account for the administration of the Program or for transactions under the State's Qualified ABLE Program.
- (8) Separate Accounting. The State shall maintain a separate individual ABLE Account for each Contract, showing the name of the Designated Beneficiary and the Redemption Value of the ABLE Account, including any Distributions made from the ABLE Account.

Authority: T.C.A. §§ 71-4-804(b); 71-4-805; 71-4-806; 71-4-807; and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016. Amendments filed December 4, 2018; effective March 4, 2019 (Withdrawal of amendment to rule 1700-08-01-.04(1) filed and effective December 21, 2018.).

1700-08-01-05 CONTRIBUTIONS.

- (1) Who May Make Contributions. One (1) or more Persons may make Contributions for a taxable year into an ABLE Account for the benefit for a Designated Beneficiary who is also an Eligible Individual during that taxable year. The Designated Beneficiary shall be an Eligible Individual at the time the ABLE Account is established, at the time of any Contribution to the ABLE Account, and at the time of a Distribution from the ABLE Account for Qualified Disability Expenses. All Contributions made to a Designated Beneficiary's ABLE Account are pooled and are subject to the terms and conditions of the Designated Beneficiary's Contract.
- (2) How Contributions May be Made. All Contributions to an ABLE Account shall be made in cash and not in property, except for Program-to-Program Transfers. For the purposes of these rules, "cash" means United States dollars in the form of negotiable checks. Cash Contributions may be made in the form of a check, electronic transfer or similar methods acceptable to the State. The State will only accept Contributions in the form of travelers' checks; starter checks; or money orders if required by a court order. Contributions may also be made through a Rollover; through a Program-to-Program Transfer; or as otherwise permitted by the Code.
- (3) Limit on Amount of Contributions.
 - (a) Contributions made to a Designated Beneficiary's ABLE Account shall not include Excess Contributions. The State shall return the Excess Contributions to the Contributor, including all net income attributable to that Excess Contribution. The State shall return the Excess Contribution to the Contributor on a last-in-first-out basis until the entire Excess Contribution, along with all net income attributable to the Excess Contribution has been returned. The State shall ensure that the returned Excess Contributions are received by the Contributor on or before the due date, including extensions, for the Designated Beneficiary's federal income tax return for the taxable year in which the Excess Contribution was made. If an Excess Contribution and the net

(Rule 1700-08-01-.05, continued)

income attributable to the Excess Contribution are returned to a Contributor other than the Designated Beneficiary, the State shall notify the Designated Beneficiary of the Excess Contribution return at the same time the Excess Contribution is returned to the Contributor. For the purpose of the Contribution limitation contained in this subparagraph (a), Contributions do not include Rollovers or Program-to-Program Transfers.

- (b) Contributions made to a Designated Beneficiary's ABLE Account contributed since the establishment of the ABLE Account shall not exceed the limitation in effect under 26 U.S.C. § 529(b)(6). The Contributions toward the limitation shall include Contributions to any prior ABLE Account maintained by any State or its agency or instrumentality for the same Designated Beneficiary or any prior Designated Beneficiary. The State shall not accept any Excess Aggregate Contributions, and shall return all Excess Aggregate Contributions to the Contributor on a last-in-first-out basis until the entire Excess Aggregate Contribution, along with the net income attributable to the Excess Aggregate Contribution has been returned. The State shall ensure that the returned Excess Aggregate Contributions are received by the Contributor on or before the due date, including, extensions, for the Designated Beneficiary's federal income tax return for the taxable year in which the Excess Aggregate Contribution was made. If an Excess Aggregate Contribution and the net income attributable to the Excess Aggregate Contribution are returned to a Contributor other than the Designated Beneficiary, the State shall notify the Designated Beneficiary of the Excess Aggregate Contribution return at the same time the Excess Aggregate Contribution is returned to the Contributor.
- (4) Individualized Education Account Contributions into an ABLE Account. In the event that an Eligible Individual or an Eligible Individual's Legal Representative contributes funds from the Eligible Individual's IEA to the Eligible Individual's ABLE Account, the contributed IEA funds shall only be used for the Eligible Individual's educational expenses that constitute Qualified Disability Expenses. The limitation on using the Eligible Individual's IEA funds for educational expenses only shall be in effect until the Eligible Individual reaches the age of thirty (30). If the IEA funds in an Eligible Individual's ABLE Account have not been expended for educational expenses by the time the Eligible Individual reaches the age of thirty (30), then the unused IEA funds may be utilized by the Eligible Individual or the Eligible Individual's Legal Representative for any of the Eligible Individual's Qualified Disability Expenses.

Authority: T.C.A. §§ 71-4-804(b); 71-4-805; 71-4-806; 71-4-807; and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016. Amendments filed December 4, 2018; effective March 4, 2019.

1700-08-01-.06 DISTRIBUTIONS.

- (1) Request for Distribution. Any Distribution request shall be made through an online form, email, written communication or any similar means by the Designated Beneficiary or the Designated Beneficiary's Legal Representative. Funds shall not be distributed from an ABLE Account until the tenth (10th) calendar day following the State's receipt of the respective funds. The distributed funds will be sent to the Designated Beneficiary. The distributed funds may be sent to the Designated Beneficiary's Legal Representative or directly to a third party should it be permitted by the State.
- (2) Amount and Timing of Distributions. The Distribution amount will be equal to the amount requested, not to exceed the Redemption Value of the Beneficiary's ABLE Account at the time the Distribution is processed. The Distribution amount will be paid within a maximum of sixty (60) calendar days after the State's receipt of a written Distribution request.
- (3) Types of Distributions.

(Rule 1700-08-01-.06, continued)

- (a) Distributions for Qualified Disability Expenses. The Designated Beneficiary or the Designated Beneficiary's Legal Representative may direct a Distribution and payment to the Designated Beneficiary, the Designated Beneficiary's Legal Representative or a third party as payment for a Qualified Disability Expense. The Designated Beneficiary or the Designated Beneficiary's Legal Representative shall provide the documentation requested by the State to substantiate that the Distribution will be used for the payment of Qualified Disability Expenses.
- (b) Distributions for Non-Qualified Disability Expenses. The Designated Beneficiary or the Designated Beneficiary's Legal Representative may direct a Distribution and payment to a the Designated Beneficiary or the Designated Beneficiary's Legal Representative provided that the funds have been on deposit in the ABL Account for at least ten (10) calendar days and provided that there is at least one hundred dollars (\$100.00) in the ABL Account once the Distribution is made. The earnings portion of the Distribution made for non-Qualified Disability Expenses may be subject to federal taxation as prescribed under the Code.
- (c) Death of a Designated Beneficiary. In the event of a Designated Beneficiary's death, the State shall make any outstanding payments for Qualified Disability Expenses. Subject to the outstanding payments and to the extent permitted by the Code:
 - 1. The funds remaining in an ABL Account not in excess of the amount equal to the total medical assistance paid for the Designated Beneficiary after the establishment of an ABL Account, net of any premiums paid from the ABL Account or paid by or on behalf of the Designated Beneficiary to a Medicaid Buy-In program under any state Medicaid plan established under title XIX of the Social Security Act, shall be distributed to such state upon filing a claim for payment by such state. In the event that the State does not receive a claim from a state Medicaid plan for reimbursement within thirty (30) days after the Designated Beneficiary's death, then the State shall distribute the remaining funds in an ABL Account after the payment of outstanding Qualified Disability Expenses, and after the expiration of the thirty (30) day period. Should the Code establish a period of time different from the thirty (30) day period established in these rules, in which the State must wait for the filing of a state Medicaid claim, then the State will use the time period established by the Code; and
 - 2. The Designated Beneficiary's Legal Representative, estate administrator, estate executor or next of kin may request a Distribution of any remaining moneys in the Designated Beneficiary's ABL Account remaining after outstanding payments for Qualified Disability Expenses and payments pursuant to subdivision (i) in this paragraph, or may request an Account and Contract termination. In the event that a Person does not request a Distribution of the remaining funds or request an Account or Contract termination, then the remaining funds shall be payable to the Tennessee Department of Treasury's Unclaimed Property Division pursuant to title 66, chapter 29, part 1.
- (d) Rollovers. Any Designated Beneficiary or Designated Beneficiary's Legal Representative may request a Rollover. Any Rollover made pursuant to this rule shall be administered in accordance with the applicable Rollover provisions contained in the Code. Any Rollover made pursuant to this rule shall not exceed the Redemption Value of the Designated Beneficiary's ABL Account minus any applicable fees charged by the State. The Redemption Value of the ABL Account shall be determined as of the date that the Rollover is made. The portion of the Rollover amount that constituted an investment into an ABL Account from which the Distribution was made, shall be added to the investment portion in the recipient ABL Account, and the earnings from

(Rule 1700-08-01-.06, continued)

the ABLÉ Account from which the Distribution was made shall be added the into the earnings of the recipient ABLÉ Account.

- (e) Program-to-Program Transfers. Any Designated Beneficiary or Designated Beneficiary's Legal Representative may request a Program-to-Program Transfer. The portion of the Program-to-Program Transfer amount that constituted an investment into an ABLÉ Account from which the Distribution was made, shall be added to the investment portion in the recipient ABLÉ Account, and the earnings from the ABLÉ Account from which the Distribution was made shall be added the into the earnings of the recipient ABLÉ Account.
- (4) Individualized Education Account Distributions from an ABLÉ Account. An Eligible Individual or Eligible Individual's Legal Representative may withdraw IEA funds from the Eligible Individual's ABLÉ Account while the Eligible Individual is under the age of thirty (30); however, the Eligible Individual or Eligible Individual's Legal Representative shall use the withdrawn funds only for the Eligible Individual's educational expenses that constitute Qualified Disability Expenses. Either the Eligible Individual or the Eligible Individual's Legal Representative shall indicate through a completed and signed certification, affidavit, attestation, verification or declaration that the withdrawn funds will only be used for the Eligible Individual's educational expenses that constitute Qualified Disability Expenses. The Eligible Individual or Eligible Individual's Legal Representative shall be responsible for maintaining and providing the documentation requested by the Tennessee Department of Education relative to the use of the IEA funds deposited in an ABLÉ Account, and shall be responsible for complying with the Tennessee Department of Education's rules relative to the use of IEA funds deposited in an ABLÉ Account, if applicable. Any IEA funds remaining in an Eligible Individual's ABLÉ Account after the Eligible Individual reaches the age of thirty (30), may be used by the Eligible Individual or the Eligible Individual's Legal Representative for any Qualified Disability Expenses.

Authority: T.C.A. §§ 71-4-804(b); 71-4-805; 71-4-806; 71-4-807; and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016. Amendments filed December 4, 2018; effective March 4, 2019.

1700-08-01-.07 ACCOUNT MAINTENANCE.

- (1) Update ABLÉ Account Information. Any Designated Beneficiary or Designated Beneficiary's Legal Representative may make changes and updates to the ABLÉ Account information as needed. These changes include updates to the following, including, but not limited to, addresses; legal name changes; phone numbers; email addresses and changes in the Designated Beneficiary's Legal Representative. The requested changes shall be provided in writing to the State on a form prescribed by the State, either in hard copy or electronic form.
- (2) ABLÉ Account Limitations.
 - (a) Except in the case of Rollovers or Program-to-Program Transfers, a Designated Beneficiary is limited to one (1) ABLÉ Account at a time, regardless of where the account is located. Except in the case of Rollovers and Program-to-Program Transfers, if an ABLÉ Account is established for a Designated Beneficiary who already has an ABLÉ Account in existence, the State shall not treat the additional account as an ABLÉ Account; however, as long as the State returns all Contributions (including all net income attributable to the Contribution) to the Person or Persons who/that made the Contribution, then the additional account will be treated as never having been established.
 - (b) The funds (contributions, earnings and funds distributed for housing expenses as defined by the Social Security Administration) in a Designated Beneficiary's ABLÉ

(Rule 1700-08-01-.07, continued)

Account at any one time shall not exceed one hundred thousand dollars (\$100,000.00) should the Designated Beneficiary participate in the Supplement Security Income program under title XVI of the Social Security Act.

- (3) Change in Designated Beneficiary. A Designated Beneficiary may be changed on an ABLE Account and the transferred moneys will not be treated as a Distribution subject to federal taxation as long as the new Designated Beneficiary is an Eligible Individual within the taxable year that the change occurs and the new Designated Beneficiary is a Member of the Family of the former Designated Beneficiary. A change in the Designated Beneficiary of an ABLE Account shall only occur during the life of the Designated Beneficiary, and at the time of the change, the successor Designated Beneficiary must be an Eligible Individual.
- (4) Eligible Individual Recertification. At the request of the State, each Designated Beneficiary shall recertify to the State that he or she meets the definition of an Eligible Individual. Each Designated Beneficiary or Designated Beneficiary's Legal Representative shall promptly report any changes in the Designated Beneficiary's status as an Eligible Individual. Should a Designated Beneficiary no longer meet the definition of an Eligible Individual at any time during which the Designated Beneficiary has an ABLE Account, the Designated Beneficiary shall maintain his or her status as an Eligible Individual until the end of the taxable year in which the change in the Designated Beneficiary's condition occurred. On the first day of the subsequent taxable year in which the Designated Beneficiary does not meet the definition of an Eligible Individual, the State shall not accept additional contributions into the ABLE Account and the existing money in the ABLE Account shall not be used for qualified disability expenses. Should a Designated Beneficiary subsequently meet the definition of an Eligible Individual, the State shall accept contributions into the Designated Beneficiary's ABLE Account and the existing funds in the ABLE Account can be used to pay for qualified disability expenses.
- (5) Investment Direction. Any Designated Beneficiary or Designated Beneficiary's Legal Representative may, directly or indirectly, direct the investment of any Contributions to the Program, or any earning thereon, no more than two (2) times in any calendar year.

Authority: T.C.A. §§ 71-4-804(b); 71-4-805; 71-4-806; 71-4-807; and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016. Amendments filed December 4, 2018; effective March 4, 2019.

1700-08-01-.08 ACCOUNT STATEMENTS.

- (1) The State shall provide Designated Beneficiaries participating in the State's Qualified ABLE Program or the Designated Beneficiary's Legal Representative with periodic ABLE Account statements that include, but are not limited to the following: Contribution amounts; Distribution amounts; investments in the ABLE Account; total ABLE Account balance; and Redemption Value of the ABLE Account. The State shall also provide this information at the request of the Designated Beneficiary or the Designated Beneficiary's Legal Representative.

Authority: T.C.A. §§ 71-4-804(b); 71-4-805; 71-4-806; 71-4-807; and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016.

1700-08-01-.09 ACCOUNT AND CONTRACT TERMINATION.

- (1) A Designated Beneficiary may terminate his or her ABLE Account and Contract or a Designated Beneficiary's Legal Representative may terminate a Designated Beneficiary's ABLE Account and Contract at any time and for any reason upon a written request submitted to the State. In response to a written request for termination, a Refund will be paid to the Designated Beneficiary, Designated Beneficiary's Legal Representative or any other Person designated to receive a Refund under the Contract. The actual termination of the ABLE

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Account and Contract will not occur until all funds in the Designated Beneficiary's ABLE Account have been refunded.

Authority: T.C.A. §§ 71-4-804(b); 71-4-805; 71-4-806; 71-4-807; and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016.

1700-08-01-.10 PROGRAM TERMINATION.

- (1) If the Trustees determine that the State's Qualified ABLE Program is, for any reason, financially infeasible, or is not beneficial to the citizens of the State of Tennessee or the State itself, then the Trustees may suspend or terminate the Program immediately. Termination of the Program will result in a termination of all ABLE Accounts and Contracts, and generate a Refund to the Designated Beneficiary, the Designated Beneficiary's Legal Representative or any other Person designated to receive a Refund under the Contract.
- (2) Notwithstanding any other provision to the contrary, Refunds and other benefits payable under a Contract shall be deemed to be due and payable only to the extent that moneys are available to the credit of the State's Qualified ABLE Program, and that the State, the Tennessee Department of Treasury, the State Treasurer or the State's Qualified ABLE Program shall not be liable for any amount in excess of such sums.
- (3) Should the State's Qualified ABLE Program be terminated by the Trustees and the Program assets prove to be less than would be required to fully pay all obligations of the Program in full, the State Treasurer shall first defray all Program administrative expenses. The State Treasurer shall then reduce payments owed pursuant to a Contract, pro rata, to the degree necessary to bring the total disbursement of the State's Qualified ABLE Program within the amount of the remaining funds.

Authority: T.C.A. §§ 71-4-805; 71-4-807; 71-4-811; and Chapter 470 of the 2015 Public Acts. **Administrative History:** Original rule filed October 8, 2015; effective January 6, 2016.