



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3528

Introduced 2/14/2014, by Sen. Jason A. Barickman

SYNOPSIS AS INTRODUCED:

15 ILCS 505/16.5
110 ILCS 979/15
110 ILCS 979/45

Amends the State Treasurer Act and the Illinois Prepaid Tuition Act. With respect to the College Savings Pool, provides that for accounts opened on or after the effective date of the amendatory Act, the State Treasurer may receive moneys paid into the pool by the Illinois Neighborhood Recovery Initiative, which shall be permitted to match, dollar for dollar, with limitations, annual contributions made to an account. Provides that Illinois prepaid tuition contracts may not be entered into on or after the effective date of the amendatory Act. Provides that only annuities may be purchased under the Illinois prepaid tuition program. Provides that the purchaser of a contract entered into before the effective date of the amendatory Act may (i) retain funds under the contract, (ii) transfer the cash value of the contract to the College Savings Pool, (iii) cash out of the contract pursuant to the contract's terms, or (iv) transfer funds into an annuity. Effective immediately.

LRB098 19928 NHT 55151 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Treasurer Act is amended by changing
5 Section 16.5 as follows:

6 (15 ILCS 505/16.5)

7 Sec. 16.5. College Savings Pool. The State Treasurer may
8 establish and administer a College Savings Pool to supplement
9 and enhance the investment opportunities otherwise available
10 to persons seeking to finance the costs of higher education.
11 The State Treasurer, in administering the College Savings Pool,
12 may receive moneys paid into the pool by a participant and may
13 serve as the fiscal agent of that participant for the purpose
14 of holding and investing those moneys. For accounts opened on
15 or after the effective date of this amendatory Act of the 98th
16 General Assembly, the State Treasurer may also receive moneys
17 paid into the pool by the Illinois Neighborhood Recovery
18 Initiative, which shall be permitted to match, dollar for
19 dollar, annual contributions made to an account. However, the
20 Illinois Neighborhood Recovery Initiative may not contribute
21 more than \$250 to an account per year or more than \$5 million
22 per year for all accounts.

23 "Participant", as used in this Section, means any person

1 who has authority to withdraw funds, change the designated
2 beneficiary, or otherwise exercise control over an account.
3 "Donor", as used in this Section, means any person who makes
4 investments in the pool. "Designated beneficiary", as used in
5 this Section, means any person on whose behalf an account is
6 established in the College Savings Pool by a participant. Both
7 in-state and out-of-state persons may be participants, donors,
8 and designated beneficiaries in the College Savings Pool. The
9 College Savings Pool must be available to any individual with a
10 valid social security number or taxpayer identification number
11 for the benefit of any individual with a valid social security
12 number or taxpayer identification number, unless a contract in
13 effect on August 1, 2011 (the effective date of Public Act
14 97-233) does not allow for taxpayer identification numbers, in
15 which case taxpayer identification numbers must be allowed upon
16 the expiration of the contract.

17 New accounts in the College Savings Pool may be processed
18 through participating financial institutions. "Participating
19 financial institution", as used in this Section, means any
20 financial institution insured by the Federal Deposit Insurance
21 Corporation and lawfully doing business in the State of
22 Illinois and any credit union approved by the State Treasurer
23 and lawfully doing business in the State of Illinois that
24 agrees to process new accounts in the College Savings Pool.
25 Participating financial institutions may charge a processing
26 fee to participants to open an account in the pool that shall

1 not exceed \$30 until the year 2001. Beginning in 2001 and every
2 year thereafter, the maximum fee limit shall be adjusted by the
3 Treasurer based on the Consumer Price Index for the North
4 Central Region as published by the United States Department of
5 Labor, Bureau of Labor Statistics for the immediately preceding
6 calendar year. Every contribution received by a financial
7 institution for investment in the College Savings Pool shall be
8 transferred from the financial institution to a location
9 selected by the State Treasurer within one business day
10 following the day that the funds must be made available in
11 accordance with federal law. All communications from the State
12 Treasurer to participants and donors shall reference the
13 participating financial institution at which the account was
14 processed.

15 The Treasurer may invest the moneys in the College Savings
16 Pool in the same manner and in the same types of investments
17 provided for the investment of moneys by the Illinois State
18 Board of Investment. To enhance the safety and liquidity of the
19 College Savings Pool, to ensure the diversification of the
20 investment portfolio of the pool, and in an effort to keep
21 investment dollars in the State of Illinois, the State
22 Treasurer may make a percentage of each account available for
23 investment in participating financial institutions doing
24 business in the State. The State Treasurer may deposit with the
25 participating financial institution at which the account was
26 processed the following percentage of each account at a

1 prevailing rate offered by the institution, provided that the
2 deposit is federally insured or fully collateralized and the
3 institution accepts the deposit: 10% of the total amount of
4 each account for which the current age of the beneficiary is
5 less than 7 years of age, 20% of the total amount of each
6 account for which the beneficiary is at least 7 years of age
7 and less than 12 years of age, and 50% of the total amount of
8 each account for which the current age of the beneficiary is at
9 least 12 years of age. The Treasurer shall develop, publish,
10 and implement an investment policy covering the investment of
11 the moneys in the College Savings Pool. The policy shall be
12 published each year as part of the audit of the College Savings
13 Pool by the Auditor General, which shall be distributed to all
14 participants. The Treasurer shall notify all participants in
15 writing, and the Treasurer shall publish in a newspaper of
16 general circulation in both Chicago and Springfield, any
17 changes to the previously published investment policy at least
18 30 calendar days before implementing the policy. Any investment
19 policy adopted by the Treasurer shall be reviewed and updated
20 if necessary within 90 days following the date that the State
21 Treasurer takes office.

22 Participants shall be required to use moneys distributed
23 from the College Savings Pool for qualified expenses at
24 eligible educational institutions. "Qualified expenses", as
25 used in this Section, means the following: (i) tuition, fees,
26 and the costs of books, supplies, and equipment required for

1 enrollment or attendance at an eligible educational
2 institution and (ii) certain room and board expenses incurred
3 while attending an eligible educational institution at least
4 half-time. "Eligible educational institutions", as used in
5 this Section, means public and private colleges, junior
6 colleges, graduate schools, and certain vocational
7 institutions that are described in Section 481 of the Higher
8 Education Act of 1965 (20 U.S.C. 1088) and that are eligible to
9 participate in Department of Education student aid programs. A
10 student shall be considered to be enrolled at least half-time
11 if the student is enrolled for at least half the full-time
12 academic work load for the course of study the student is
13 pursuing as determined under the standards of the institution
14 at which the student is enrolled. Distributions made from the
15 pool for qualified expenses shall be made directly to the
16 eligible educational institution, directly to a vendor, or in
17 the form of a check payable to both the beneficiary and the
18 institution or vendor. Any moneys that are distributed in any
19 other manner or that are used for expenses other than qualified
20 expenses at an eligible educational institution shall be
21 subject to a penalty of 10% of the earnings unless the
22 beneficiary dies, becomes disabled, or receives a scholarship
23 that equals or exceeds the distribution. Penalties shall be
24 withheld at the time the distribution is made.

25 The Treasurer shall limit the contributions that may be
26 made on behalf of a designated beneficiary based on the

1 limitations established by the Internal Revenue Service. The
2 contributions made on behalf of a beneficiary who is also a
3 beneficiary under the Illinois Prepaid Tuition Program shall be
4 further restricted to ensure that the contributions in both
5 programs combined do not exceed the limit established for the
6 College Savings Pool. The Treasurer shall provide the Illinois
7 Student Assistance Commission each year at a time designated by
8 the Commission, an electronic report of all participant
9 accounts in the Treasurer's College Savings Pool, listing total
10 contributions and disbursements from each individual account
11 during the previous calendar year. As soon thereafter as is
12 possible following receipt of the Treasurer's report, the
13 Illinois Student Assistance Commission shall, in turn, provide
14 the Treasurer with an electronic report listing those College
15 Savings Pool participants who also participate in the State's
16 prepaid tuition program, administered by the Commission. The
17 Commission shall be responsible for filing any combined tax
18 reports regarding State qualified savings programs required by
19 the United States Internal Revenue Service. The Treasurer shall
20 work with the Illinois Student Assistance Commission to
21 coordinate the marketing of the College Savings Pool and the
22 Illinois Prepaid Tuition Program when considered beneficial by
23 the Treasurer and the Director of the Illinois Student
24 Assistance Commission. The Treasurer's office shall not
25 publicize or otherwise market the College Savings Pool or
26 accept any moneys into the College Savings Pool prior to March

1, 2000. The Treasurer shall provide a separate accounting for each designated beneficiary to each participant, the Illinois Student Assistance Commission, and the participating financial institution at which the account was processed. No interest in the program may be pledged as security for a loan. Moneys held in an account invested in the Illinois College Savings Pool shall be exempt from all claims of the creditors of the participant, donor, or designated beneficiary of that account, except for the non-exempt College Savings Pool transfers to or from the account as defined under subsection (j) of Section 12-1001 of the Code of Civil Procedure (735 ILCS 5/12-1001(j)).

The assets of the College Savings Pool and its income and operation shall be exempt from all taxation by the State of Illinois and any of its subdivisions. The accrued earnings on investments in the Pool once disbursed on behalf of a designated beneficiary shall be similarly exempt from all taxation by the State of Illinois and its subdivisions, so long as they are used for qualified expenses. Contributions to a College Savings Pool account during the taxable year may be deducted from adjusted gross income as provided in Section 203 of the Illinois Income Tax Act. The provisions of this paragraph are exempt from Section 250 of the Illinois Income Tax Act.

The Treasurer shall adopt rules he or she considers necessary for the efficient administration of the College Savings Pool. The rules shall provide whatever additional

1 parameters and restrictions are necessary to ensure that the
2 College Savings Pool meets all of the requirements for a
3 qualified state tuition program under Section 529 of the
4 Internal Revenue Code (26 U.S.C. 529). The rules shall provide
5 for the administration expenses of the pool to be paid from its
6 earnings and for the investment earnings in excess of the
7 expenses and all moneys collected as penalties to be credited
8 or paid monthly to the several participants in the pool in a
9 manner which equitably reflects the differing amounts of their
10 respective investments in the pool and the differing periods of
11 time for which those amounts were in the custody of the pool.
12 Also, the rules shall require the maintenance of records that
13 enable the Treasurer's office to produce a report for each
14 account in the pool at least annually that documents the
15 account balance and investment earnings. Notice of any proposed
16 amendments to the rules and regulations shall be provided to
17 all participants prior to adoption. Amendments to rules and
18 regulations shall apply only to contributions made after the
19 adoption of the amendment.

20 Upon creating the College Savings Pool, the State Treasurer
21 shall give bond with 2 or more sufficient sureties, payable to
22 and for the benefit of the participants in the College Savings
23 Pool, in the penal sum of \$1,000,000, conditioned upon the
24 faithful discharge of his or her duties in relation to the
25 College Savings Pool.

26 (Source: P.A. 97-233, eff. 8-1-11; 97-537, eff. 8-23-11;

1 97-813, eff. 7-13-12.)

2 Section 10. The Illinois Prepaid Tuition Act is amended by
3 changing Sections 15 and 45 as follows:

4 (110 ILCS 979/15)

5 Sec. 15. Creation of Illinois prepaid tuition program.

6 (a) There is created the Illinois prepaid tuition program
7 to be administered by the Illinois Student Assistance
8 Commission. This program is to be administered so that the full
9 cost of tuition and mandatory fees at Illinois public
10 universities and Illinois community colleges may be paid in
11 advance of enrollment through the prior purchase of an Illinois
12 prepaid tuition contract. The Commission may enter into
13 contracts as may be necessary to provide for administration of
14 the program and shall develop and implement rules and
15 regulations necessary for the efficient administration of the
16 program.

17 All reasonable charges incidental to the administration of
18 the program by the Commission shall be paid in the initial
19 start-up period for the program's operation from the General
20 Revenue Fund, pursuant to appropriations made for that purpose
21 by the General Assembly. Those charges and expenses in
22 subsequent years shall be paid exclusively from the Illinois
23 Prepaid Tuition Trust Fund established by Section 35 of this
24 Act.

1 (b) Beginning on the effective date of this amendatory Act
2 of the 98th General Assembly, only annuities may be purchased
3 under the program.

4 (c) The Commission shall adopt all rules necessary to
5 implement the changes made to this Act by this amendatory Act
6 of the 98th General Assembly.

7 (Source: P.A. 90-546, eff. 12-1-97.)

8 (110 ILCS 979/45)

9 Sec. 45. Illinois prepaid tuition contracts.

10 (a) The Commission may enter into an Illinois prepaid
11 tuition contract with a purchaser under which the Commission
12 contracts on behalf of the State to pay full tuition and
13 mandatory fees at an Illinois public university or Illinois
14 community college for a qualified beneficiary to attend the
15 eligible institution to which the qualified beneficiary is
16 admitted. However, Illinois prepaid tuition contracts may not
17 be entered into on or after the effective date of this
18 amendatory Act of the 98th General Assembly. The purchaser of a
19 contract entered into before the effective date of this
20 amendatory Act of the 98th General Assembly may (i) retain
21 funds under the contract, (ii) transfer the cash value of the
22 contract to the College Savings Pool established under Section
23 16.5 of the State Treasurer Act, pursuant to rules of the State
24 Treasurer, (iii) cash out of the contract pursuant to the
25 contract's terms, or (iv) transfer funds into an annuity under

1 subsection (b) of Section 15 of this Act. Each contract shall
2 contain terms, conditions, and provisions that the Commission
3 determines to be necessary for ensuring the educational
4 objectives and sustainable financial viability of the Illinois
5 prepaid tuition program.

6 (b) Each contract shall have one designated purchaser and
7 one designated qualified beneficiary. Unless otherwise
8 specified in the contract, the purchaser owns the contract and
9 retains any tax liability for its assets only until the first
10 distribution of benefits. Contracts shall be purchased in units
11 of 15 credit hours.

12 (c) Without exception, benefits may be received by a
13 qualified beneficiary of an Illinois prepaid tuition contract
14 no earlier than 3 years from the date the contract is
15 purchased.

16 (d) A prepaid tuition contract shall contain, but is not
17 limited to, provisions for (i) refunds or withdrawals in
18 certain circumstances, with or without interest or penalties;
19 (ii) conversion of the contract at the time of distribution
20 from accrued prepayment value at one type of eligible
21 institution to the accrued prepayment value at a different type
22 of eligible institution; (iii) portability of the accrued value
23 of the prepayment value for use at an eligible institution
24 located outside this State; (iv) transferability of the
25 contract benefits within the qualified beneficiary's immediate
26 family; and (v) a specified benefit period during which the

1 contract may be redeemed.

2 (e) Each Illinois prepaid tuition contract also shall
3 contain, at minimum, all of the following:

4 (1) The amount of payment or payments and the number of
5 payments required from a purchaser on behalf of a qualified
6 beneficiary.

7 (2) The terms and conditions under which purchasers
8 shall remit payments, including, but not limited to, the
9 date or dates upon which each payment shall be due.

10 (3) Provisions for late payment charges and for
11 default.

12 (4) Provisions for penalty fees payable incident to an
13 authorized withdrawal.

14 (5) The name, date of birth, and social security number
15 or taxpayer identification number of the qualified
16 beneficiary on whose behalf the contract is drawn and the
17 terms and conditions under which the contract may be
18 transferred to another qualified beneficiary.

19 (6) The name and social security number or taxpayer
20 identification number of any person who may terminate the
21 contract, together with terms that specify whether the
22 contract may be terminated by the purchaser, the qualified
23 beneficiary, a specific designated person, or any
24 combination of these persons.

25 (7) The terms and conditions under which a contract may
26 be terminated, the name and social security number or

1 taxpayer identification number of the person entitled to
2 any refund due as a result of the termination of the
3 contract pursuant to those terms and conditions, and the
4 method for determining the amount of a refund.

5 (8) The time limitations, if any, within which the
6 qualified beneficiary must claim his or her benefits
7 through the program.

8 (9) Other terms and conditions determined by the
9 Commission to be appropriate.

10 (f) In addition to the contract provisions set forth in
11 subsection (e), each Illinois prepaid tuition contract shall
12 include:

13 (1) The number of credit hours contracted by the
14 purchaser.

15 (2) The type of eligible institution and the prepaid
16 tuition plan toward which the credit hours shall be
17 applied.

18 (3) The explicit contractual obligation of the
19 Commission to the qualified beneficiary to provide a
20 specific number of credit hours of undergraduate
21 instruction at an eligible institution, not to exceed the
22 maximum number of credit hours required for the conference
23 of a degree that corresponds to the plan purchased on
24 behalf of the qualified beneficiary.

25 (g) The Commission shall indicate by rule the conditions
26 under which refunds are payable to a contract purchaser.

1 Generally, no refund shall exceed the amount paid into the
2 Illinois Prepaid Tuition Trust Fund by the purchaser. In the
3 event that a contract is converted from a Public University
4 Plan described in subsection (j) of this Section to a Community
5 College Plan described in subsection (k) of this Section, the
6 refund amount shall be reduced by the amount transferred to the
7 Illinois community college on behalf of the qualified
8 beneficiary. Except where the Commission may otherwise rule,
9 refunds may exceed the amount paid into the Illinois Prepaid
10 Tuition Trust Fund only under the following circumstances:

11 (1) If the qualified beneficiary is awarded a grant or
12 scholarship at a public institution of higher education,
13 the terms of which duplicate the benefits included in the
14 Illinois prepaid tuition contract, then moneys paid for the
15 purchase of the contract shall be returned to the
16 purchaser, upon request, in semester installments that
17 coincide with the matriculation by the qualified
18 beneficiary, in an amount equal to the current cost of
19 tuition and mandatory fees at the public institution of
20 higher education where the qualified beneficiary is
21 enrolled.

22 (1.5) If the qualified beneficiary is awarded a grant
23 or scholarship while enrolled at either an eligible
24 nonpublic institution of higher education or an eligible
25 public or private out-of-state higher education
26 institution, the terms of which duplicate the benefits

1 included in the Illinois prepaid tuition contract, then
2 money paid for the purchase of the contract shall be
3 returned to the purchaser, upon request, in semester
4 installments that coincide with the matriculation by the
5 qualified beneficiary. The amount paid shall not exceed the
6 current average mean-weighted credit hour value of the
7 registration fees purchased under the contract.

8 (2) In the event of the death or total disability of
9 the qualified beneficiary, moneys paid for the purchase of
10 the Illinois prepaid tuition contract shall be returned to
11 the purchaser together with all accrued earnings.

12 (3) If an Illinois prepaid tuition contract is
13 converted from a Public University Plan to a Community
14 College Plan, then the amount refunded shall be the value
15 of the original Illinois prepaid tuition contract minus the
16 value of the contract after conversion.

17 No refund shall be authorized under an Illinois prepaid
18 tuition contract for any semester partially attended but not
19 completed.

20 The Commission, by rule, shall set forth specific
21 procedures for making contract payments in conjunction with
22 grants and scholarships awarded to contract beneficiaries.

23 Moneys paid into or out of the Illinois Prepaid Tuition
24 Trust Fund by or on behalf of the purchaser or the qualified
25 beneficiary of an Illinois prepaid tuition contract are exempt
26 from all claims of creditors of the purchaser or beneficiary,

1 so long as the contract has not been terminated.

2 The State or any State agency, county, municipality, or
3 other political subdivision, by contract or collective
4 bargaining agreement, may agree with any employee to remit
5 payments toward the purchase of Illinois prepaid tuition
6 contracts through payroll deductions made by the appropriate
7 officer or officers of the entity making the payments. Such
8 payments shall be held and administered in accordance with this
9 Act.

10 (h) Nothing in this Act shall be construed as a promise or
11 guarantee that a qualified beneficiary will be admitted to an
12 eligible institution or to a particular eligible institution,
13 will be allowed to continue enrollment at an eligible
14 institution after admission, or will be graduated from an
15 eligible institution.

16 (i) The Commission shall develop and make prepaid tuition
17 contracts available under a minimum of at least 2 independent
18 plans to be known as the Public University Plan and the
19 Community College Plan.

20 Contracts shall be purchased in units of 15 credit hours at
21 either an Illinois public university or an Illinois community
22 college. The minimum purchase amount per qualified beneficiary
23 shall be one unit or 15 credit hours. The maximum purchase
24 amount shall be 9 units (or 135 credit hours) for the Public
25 University Plan and 4 units (or 60 credit hours) for the
26 Community College Plan.

1 (j) Public University Plan. Through the Public University
2 Plan, the Illinois prepaid tuition contract shall provide
3 prepaid registration fees, which include full tuition costs as
4 well as mandatory fees, for a specified number of undergraduate
5 credit hours, not to exceed the maximum number of credit hours
6 required for the conference of a baccalaureate degree. In
7 determining the cost of participation in the Public University
8 Plan, the Commission shall reference the combined
9 mean-weighted current registration fees from Illinois public
10 universities.

11 In the event that a qualified beneficiary for whatever
12 reason chooses to attend an Illinois community college, the
13 qualified beneficiary may convert the average number of credit
14 hours required for the conference of an associate degree from
15 the Public University Plan to the Community College Plan and
16 may retain the remaining Public University Plan credit hours or
17 may request a refund for prepaid credit hours in excess of
18 those required for conference of an associate degree. In
19 determining the amount of any refund, the Commission also shall
20 recognize the current relative credit hour cost of the 2 plans
21 when making any conversion.

22 Qualified beneficiaries shall bear the cost of any
23 laboratory or other non-mandatory fees associated with
24 enrollment in specific courses. Qualified beneficiaries who
25 are not Illinois residents shall bear the difference in cost
26 between in-state registration fees guaranteed by the prepaid

1 tuition contract and tuition and other charges assessed upon
2 out-of-state students by the eligible institution.

3 (k) Community College Plan. Through the Community College
4 Plan, the Illinois prepaid tuition contract shall provide
5 prepaid registration fees, which include full tuition costs as
6 well as mandatory fees, for a specified number of undergraduate
7 credit hours, not to exceed the maximum number of credit hours
8 required for the conference of an associate degree. In
9 determining the cost of participation in the Community College
10 Plan, the Commission shall reference the combined
11 mean-weighted current registration fees from all Illinois
12 community colleges.

13 In the event that a qualified beneficiary for whatever
14 reason chooses to attend an Illinois public university, the
15 qualified beneficiary's prepaid tuition contract shall be
16 converted for use at that Illinois public university by
17 referencing the current average mean-weighted credit hour
18 value of registration fees at Illinois community colleges
19 relative to the corresponding value of registration fees at
20 Illinois public universities.

21 Qualified beneficiaries shall bear the cost of any
22 laboratory or other non-mandatory fees associated with
23 enrollment in specific courses. Qualified beneficiaries who
24 are not Illinois residents shall bear the difference in cost
25 between in-state registration fees guaranteed by the prepaid
26 tuition contract and tuition and other charges assessed upon

1 out-of-state students by the eligible institution.

2 (l) A qualified beneficiary may apply the benefits of any
3 Illinois prepaid tuition contract toward a nonpublic
4 institution of higher education. In the event that a qualified
5 beneficiary for whatever reason chooses to attend a nonpublic
6 institution of higher education, the qualified beneficiary's
7 prepaid tuition contract shall be converted for use at that
8 nonpublic institution of higher education by referencing the
9 current average mean-weighted credit hour value of
10 registration fees purchased under the contract. The Commission
11 shall transfer, or cause to have transferred, this amount, less
12 a transfer fee, to the nonpublic institution on behalf of the
13 beneficiary. In the event that the cost of registration charged
14 to the beneficiary at the nonpublic institution of higher
15 education is less than the aggregate value of the Illinois
16 prepaid tuition contract, any remaining amount shall be
17 transferred in subsequent semesters until the transfer value is
18 fully depleted.

19 (m) A qualified beneficiary may apply the benefits of any
20 Illinois prepaid tuition contract toward an eligible
21 out-of-state college or university. Institutional eligibility
22 for out-of-state colleges and universities shall be determined
23 by the Commission according to standards substantially
24 equivalent to those for an eligible institution located in this
25 State, as described in the definition of "institution of higher
26 learning" in Section 10 of the Higher Education Student

1 Assistance Act. In the event that a qualified beneficiary for
2 whatever reason chooses to attend an eligible out-of-state
3 college or university, the qualified beneficiary's prepaid
4 tuition contract shall be converted for use at that college or
5 university by referencing the current average mean-weighted
6 credit hour value of registration fees purchased under the
7 contract. The Commission shall transfer, or cause to have
8 transferred, this amount, less a transfer fee, to the college
9 or university on behalf of the beneficiary. In the event that
10 the cost of registration charged to the beneficiary at the
11 eligible out-of-state college or university is less than the
12 aggregate value of the Illinois prepaid tuition contract, any
13 remaining amount shall be transferred in subsequent semesters
14 until the transfer value is fully depleted.

15 (n) Illinois prepaid tuition contracts may be purchased
16 either by lump sum or by installments. No penalty shall be
17 assessed for early payment of installment contracts.

18 (o) The Commission shall annually adjust the price of new
19 contracts, in accordance with the annual changes in
20 registration fees at Illinois public universities and
21 community colleges.

22 (Source: P.A. 96-1282, eff. 7-26-10; 97-233, eff. 8-1-11.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.