

ITEM 149-105-R1110

Montana Family Education Savings Program, Amendments to the Policy and Procedures Manual

THAT

The Board of Regents of Higher Education approves the proposed amendments to the current Policy and Procedures Manual in regard to the Montana Family Education Savings Program.

EXPLANATION

The proposed amendments are designed to eliminate potential conflicts with the current interpretation of federal law; specifically Section 529 of the Internal Revenue Code. The amendments will also allow the Montana Family Education Savings Program to operate within 529 industry “best practices” with regard to transfer and ownership issues, distribution issues and other possible issues that may not be specifically addressed in the Board of Regent policy manual and therefore may not adhere to the industry’s “best practices” standards.

These amendments will help us to ensure the conversion happens this year, that the trust is protected, and that all legal requirements of the federal law regarding Section 529 are met. A more thorough evaluation of this Policy will be completed after the transfer has occurred to ensure the Manual continues to address 529 policies accurately.

ATTACHMENTS

Amendment - Section 950.2 of the Policy and Procedures Manual