UnclaimedProperty
PROFESSIONALS ORGANIZATION

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Date: December 22, 2014
RE: UPPO Submission to Recorder Trost
Item 4 of 5: 529 Plans

529 Plans

529 Plans do not have an Internal Revenue Service imposed age limit or mandatory distribution date which creates significant unclaimed property compliance challenges. Unlike a Coverdell Education Savings Account (ESA), 529 Plans do not have a specific age at which the beneficiary must use the funds in the account or roll them over to another family member. However since that triggering age is 30 for Coverdell ESA's, UPPO recommends that 529 Plans do not become escheatable until the beneficiary of the account reaches age 30 as well (see proposed language below) in the spirit of consistency and uniformity in the context of college savings investments. Using the same age trigger for both 529 Plans and Coverdell Education Savings Accounts will avoid state administrator and holder confusion.

Section 2. PRESUMPTION OF ABANDONMENT (a)(14)(iii) A 529 Plan is presumed abandoned 3 years after the owner has attained age 30 and the location of the owner is unknown. The location of the owner is presumed to be unknown if 2 pieces of correspondence are returned as undeliverable as noted on the owner's account.