



## Ohio Revised Code

### Section 3334.09 Tuition payment contracts.

Effective: March 30, 2018

Legislation: Senate Bill 22 - 132nd General Assembly

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(A) Except in the case of a scholarship program established in accordance with section 3334.17 of the Revised Code, the Ohio tuition trust authority may enter into a tuition payment contract with any person for the purchase of tuition units if either the purchaser or the beneficiary is a resident of this state at the time the contract is entered into. A tuition payment contract shall allow any person to purchase tuition units at the price determined by the authority pursuant to section 3334.07 or 3334.12 of the Revised Code for the year in which the tuition unit is purchased. The purchaser shall name in the payment contract one specific individual as the beneficiary for the tuition units.

In accordance with rules of the authority, units may be transferred to the credit of another beneficiary and a new beneficiary may be substituted for the beneficiary originally named in the contract.

(B) Each tuition unit shall entitle the beneficiary to an amount equal to one per cent of the weighted average tuition.

(C) Nothing in this chapter or in any tuition payment contract entered into pursuant to this chapter shall be construed as a guarantee by the state, the authority, or any institution of higher education that a beneficiary will be admitted to an institution of higher education, or, upon admission to an institution of higher education, will be permitted to continue to attend or will receive a degree from an institution of higher education. Nothing in this chapter or in any tuition payment contract entered into pursuant to this chapter shall be considered a guarantee that the beneficiary's cost of tuition at an institution of higher education other than a state institution of higher education will be covered in full by the proceeds of the beneficiary's tuition units.

(D) The following information shall be disclosed in writing to each purchaser of tuition units and, where appropriate, to each entity establishing a scholarship program under section 3334.17 of the Revised Code:

(1) The terms and conditions for the purchase and use of tuition units;



- (2) In the case of a contract described by division (A) of this section, any restrictions on the substitution of another individual for the original beneficiary and any restrictions on the transfer of ownership of units in the payment account;
  - (3) The person or entity entitled to terminate the contract;
  - (4) The terms and conditions under which the contract may be terminated and the amount of the refund, if any, to which the person or entity terminating the contract, or that person's or entity's designee, is entitled upon termination;
  - (5) The obligation of the authority to make payments to a beneficiary, or an institution of higher education on behalf of a beneficiary, under division (B) of this section based upon the number of tuition units purchased on behalf of the beneficiary or awarded to the beneficiary pursuant to a scholarship program;
  - (6) The method by which tuition units shall be applied toward payment of higher education expenses if in any academic term the beneficiary is a part-time student;
  - (7) The period of time during which a beneficiary may receive benefits under the contract;
  - (8) The terms and conditions under which money may be wholly or partially withdrawn from the program, including, but not limited to, any reasonable charges and fees that may be imposed for withdrawal;
  - (9) All other rights and obligations of the purchaser and the authority, including the provisions of division (A) of section 3334.12 of the Revised Code, and any other terms, conditions, and provisions the authority considers necessary and appropriate.
- (E) A tuition payment contract may provide that the authority will pay directly to the institution of higher education in which a beneficiary is enrolled during a term the amount represented by the tuition units being used that term.



(F) A tuition payment contract described by division (A) of this section may provide that if the contract has not been terminated or units purchased under the contract have not been applied toward the payment of higher education expenses within a specified period of time, the authority may, after making a reasonable effort to locate the purchaser of the tuition units, the beneficiary, and any person designated in the contract to act on behalf of the purchaser of the units or the beneficiary, terminate the contract and retain the amounts payable under the contract.

(G) If, at any time after tuition units are purchased on behalf of a beneficiary or awarded to a beneficiary or pursuant to a scholarship program, the beneficiary becomes a nonresident of this state, or, if the beneficiary was not a resident of this state at the time the tuition payment contract was entered into, the purchaser becomes a nonresident of this state, units purchased or awarded while the beneficiary was a resident may be applied on behalf of the beneficiary toward the payment of higher education expenses in the manner specified in division (B) of this section, except that if the beneficiary enrolls in a state institution of higher education, the beneficiary shall be responsible for payment of all nonresident fees charged to out-of-state residents by the institution in which the beneficiary is enrolled.