

## RESOLUTION

### **To allow participants in a Section 529 College Savings Program the additional flexibility to rollover excess funds from a 529 Plan to an IRA**

**WHEREAS,** Congress created Section 529 of the Internal Revenue Code to enhance the ability of families to save and plan for future college expenses and explicitly established the control, administration, and public policy decisions of Section 529 Qualified Tuition Programs with the states; and

**WHEREAS,** States provide a Section 529 Qualified Tuition Program through duly enacted laws passed by each respective state's legislature; and

**WHEREAS,** Section 529 Qualified Tuition Programs promote the critical public policy goal of encouraging families to plan and save for higher education expenses; and

**WHEREAS,** The "tax-free" treatment of Section 529 program earnings has encouraged a record number of parents to start saving for their children's college expenses, accumulating assets in these programs nationwide that have grown from \$13 billion in 2001 to more than \$253 billion by the end of 2015; and

**WHEREAS,** The rising costs of higher education and retirement continue to outpace inflation and, without proper planning, those costs can jeopardize a family's ability to ensure their children have access to higher education and that parents have the resources necessary for retirement; and

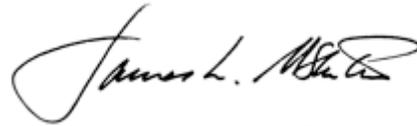
**WHEREAS,** Any earnings on proceeds remaining in a Section 529 account which are not used for qualified higher education expenses are subject to income tax and a 10% earnings penalty on withdrawal, creating in some instances a disincentive to families to save early and sufficiently to fund future higher education needs; and

**WHEREAS,** Providing an option to transfer unused 529 account assets to a retirement account in certain limited circumstances could encourage both increased college savings and retirement savings.

**NOW THEREFORE BE IT RESOLVED,** that the National Association of State Treasurers and its affiliate, the College Savings Plans Network, urge the President and Congress of the United States to enact federal law that would allow Section 529 plan account holders to transfer or rollover assets in a 529 college savings account (up to a reasonable amount or in accordance

with annual IRA limits) into an IRA or other retirement plan for either the beneficiary or the account owner, after the 529 account has been open for at least 10 years.

Approved this 12th Day of September, 2016, by the  
National Association of State Treasurers

A handwritten signature in black ink, appearing to read "James L. McIntire". The signature is fluid and cursive, with a large initial "J" and "M".

Hon. James L. McIntire  
NAST President &  
Washington State Treasurer

Approved in 2013.  
Amended and renewed in 2016.