

RESOLUTION

Regarding the Treatment of Section 529 Qualified Tuition Plans Under the Higher Education Act

Urging the President and the Congress of the United States to revise the Higher Education Act to include language in the reauthorization of the Higher Education Act of 1965 to change the current federal financial aid methodology related to the treatment of Section 529 qualified tuition plans.

WHEREAS The United States Congress is considering reauthorization of the Higher Education Act of 1965; and

WHEREAS The Higher Education Act of 1965 includes a complex method of determining amounts of federal financial aid students may receive; and

WHEREAS The public policy goal of Section 529 qualified tuition plans is to encourage and enable more people to obtain postsecondary education; and

WHEREAS The overwhelming consensus among 529 state program managers is that the current treatment of 529 savings in the federal financial aid methodology is the single largest regulatory obstacle to American families utilizing 529 plans to save for college expenses.

NOW THEREFORE BE IT RESOLVED, that the National Association of State Treasurers and its affiliate, the College Savings Plans Network, urge the President and the Congress of the United States to revise the Higher Education Act to include language in the reauthorization of the Higher Education Act of 1965 to change the current federal financial aid methodology to:

1. Exempt the value of all assets in all 529 accounts held for the benefit of a student from counting as parental assets in determining a family's expected contribution; and
2. Exempt the value of all 529 plan distributions, including any from accounts held by grandparents or noncustodial parents, from counting as income to the student on the following year's FAFSA when the distributions are used towards eligible expenses.

Approved this 19th Day of October 2017, by the
National Association of State Treasurers



Hon. Ken Miller
NAST President &
Oklahoma State Treasurer