

781—16.7(12D) Payments and payment schedules. Iowa Code section 12D.3(1) states that participation agreements may require participants to agree to invest a specific amount of money in the trust for a specific period of time for the benefit of a specific beneficiary. This rule provides for implementation of this provision.

16.7(1) The program administrator will provide each participant a quarterly statement. Participants are allowed to make contributions at any time during the calendar year provided that each contribution is made in accordance with the minimum contribution and other requirements set forth in the program description.

16.7(2) The program administrator shall actuarially determine an account balance limit applicable to all accounts of each beneficiary. No additional payments may be made on behalf of a beneficiary if the account balances of all accounts held for the beneficiary exceed the applicable account balance limit.

16.7(3) Beginning in 2000 and each year thereafter, the program administrator shall determine the maximum amount that a participant may contribute and deduct from Iowa income taxes pursuant to Iowa Code chapter 422 on behalf of a beneficiary for the calendar year by applying the applicable inflation adjustment. The adjusted annual maximum shall be communicated to participants in Iowa 529 plans and to the public in any reasonable manner determined by the program administrator.