**Section 2500.20 Definition of Terms**

The following definitions shall apply to this Part:

"Act": Section 16.5 of the State Treasurer Act [15 ILCS 505] that establishes the College Savings Pool.

"Account": An individual investment account established and maintained in the College Savings Pool.

*"Account Owner": Any person or entity who has opened an account or to whom ownership of an account has been transferred, as allowed by the Code, and who has authority to withdraw funds, direct withdrawal of funds, change the designated beneficiary, or otherwise exercise control over an account in the College Savings Pool.*

"Administrative Fees, Costs, and Expenses": Any fees, costs, and expenses, including investment fees and expenses, to cover the costs of administration, recordkeeping, and investment management, and payments to third parties, related to the Pool.

"Applicant": Any person who has applied or who is in the process of applying to open an account in the Pool.

"Code": The Internal Revenue Code of 1986, as amended (26 USC 1 et seq.).

"College Savings Pool" or "Pool": The College Savings Pool authorized to be established by the Treasurer under the Act and operated in accordance with section 529 of the Code, which may consist of one or more programs.

"College Savings Program" or "Program": An Illinois qualified tuition program established under the Pool and operated in accordance with section 529 of the Code.

"Contributions": Contributions made to an account by a donor.

*"Designated Beneficiary": Any individual designated as the beneficiary of an account in the Pool by an account owner. A designated beneficiary must have a valid social security number or taxpayer identification number. In the case of an account established as part of a scholarship program permitted under section 529 of the Code, the designated beneficiary is any individual receiving benefits accumulated in the account as a scholarship.*

*"Donor": Any person or entity who makes a contribution to an account in the Pool.*

"Earnings": The aggregate total of all dividends and interest income received by the Pool. The aggregate total of dividends and interest income shall be reduced by the aggregate total of administrative fees, costs, and expenses paid out of the Pool prior to calculating earnings. Earnings shall be determined without regard to realized or unrealized capital gains and losses incurred by the Pool.

*"Eligible Educational Institutions": Public and private colleges, junior colleges, graduate schools, and certain vocational institutions that are described in section 1001 of the Higher Education Resource and Student Assistance Chapter of Title 20 of the United States Code (20 U.S.C. 1001) and that are eligible to participate in Department of Education student aid programs.*

"Investment Options": The underlying funds and investment portfolios available to account owners within a program.

"Investment Policy ": The Investment Policy Statement adopted by the Treasurer pursuant to the Act, which sets forth the policies, objectives, and guidelines that govern the investment of moneys in the programs.

"Investment Selection": Refers to the process of choosing the underlying investment funds, as well as the investment portfolios, by participants.

"Participating Financial Institution": Any financial institution lawfully doing business in the State of Illinois that has executed a participation agreement with the Treasurer or their agent, for the purposes of promoting a college savings program in the Pool.

"Program Disclosure Statement": The document distributed to applicants and account owners describing the program. The Program Disclosure Statement shall include, without limitation and unless contained in the application for enrollment, the information required by the Act and otherwise required under applicable federal and Illinois laws.

"Program Manager": Any financial institution or entity lawfully doing business in the State of Illinois selected by the Treasurer to oversee the recordkeeping, custody, customer service, investment management, and marketing for one or more of the programs in the College Savings Pool.

*"Qualified Expenses":*

*Tuition, fees, and the costs of books, supplies, and equipment required for enrollment or attendance at an eligible educational institution;*

*Expenses for special needs services, in the case of a special needs beneficiary, which are incurred in connection with such enrollment or attendance;*

*Certain expenses, to the extent they qualify as qualified higher education expenses under Section 529 of the Code, for the purchase of computer or peripheral equipment or Internet access and related services, if* that *equipment, software, or services are to be used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution, except that,* these *expenses shall not include expenses for computer software designed for sports, games, or hobbies, unless the software is predominantly educational in nature;*

*Room and board expenses incurred while attending an eligible educational institution at least half-time. A student shall be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing, as determined under the standards of the institution at which the student is enrolled*;

*Expenses for fees, books, supplies, and equipment required for the participation of a designated beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under the National Apprenticeship Act (29 U.S.C. 50); and*

*Amounts paid as principal or interest on any qualified education loan of the designated beneficiary or a sibling of the designated beneficiary, as allowed under section 529 of the Code.* [15 ILCS 505/16.5(a)]

"Third-party Service Provider" means a subcontractor of the Program Manager for the exclusive purpose of distributing the Bright Directions advisor-sold plan.

"Treasurer": The duly elected Treasurer of the State of Illinois or their designee or designees.

(Source: Amended at 46 Ill. Reg. 3183, effective February 8, 2022)