

SB 1554 -1 STAFF MEASURE SUMMARY

Senate Committee On Education

Prepared By: Lisa Gezelter, LPRO Analyst

Meeting Dates: 2/12

WHAT THE MEASURE DOES:

Disregards any amount in an account established for higher education expenses for the purpose of determining an individual's eligibility to receive any assistance or benefit authorized by law. Applies to eligibility determinations made on or after January 1, 2019.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Allows consideration of balances in 520 accounts for the purpose of making financial aid determinations.

BACKGROUND:

The Oregon College Savings Plan was created to help Oregon taxpayers save for the cost of higher education. The plan is administered by the Oregon 529 College Savings Board and managed by TIAA-CREF. An account can be opened by any Oregon taxpayer over the age of 18. Account owners must designate a beneficiary. Contributions can be made via one-time electronic funds transfer, recurring automatic funds transfer, automatic payroll deduction, rollover from another state's 529 plan, personal check or a cashier or teller's check. Qualified withdrawals include any withdrawals used for qualifying higher education expenses for the student at an eligible educational institution. Qualifying expenses include tuition, room and board, fees, books, supplies and equipment. Although contributions are not deductible on federal tax returns, investment earnings are tax-deferred, and distributions to pay for qualifying expenses are tax-free.