

SB 1554 A STAFF MEASURE SUMMARY

House Committee On Higher Education and Workforce Development

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Meeting Dates: 2/22

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. Requires Higher Education Coordinating Commission to conduct a study of the effects on state and institutional financial aid programs and submit a report to the legislature by December 1, 2018.

REVENUE: No revenue impact

FISCAL: Has indeterminate fiscal impact

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

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 (formerly Teachers Insurance and Annuity Association). 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.

Senate Bill 1554 A would disregard higher education savings account amounts when determining an individual's eligibility to receive certain assistance or benefits, and would require the Higher Education Coordinating Commission to study the effects of exclusions on state and institutional financial aid programs.