

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
BISMARCK, NORTH DAKOTA
April 20, 2015**

IM 5244

TO: County Social Service Directors
Economic Assistance Policy Regional Representatives
Economic Assistance Policy Quality Control Reviewers

FROM: Carol Cartledge, Director, Economic Assistance
Maggie Anderson, Executive Director, NDDHS

SUBJECT: 529 and 530 College Savings Plans

PROGRAMS: Health Care Coverage Programs, LIHEAP, SNAP and TANF

EFFECTIVE: Immediately

RETENTION: Until superseded

**SECTIONS
AFFECTED:** 400-19-55-05-30 - Exempt Assets
430-05-45-35 - Asset Exclusions
415-25-10-10-05 - Assets - "Liquid"

The 529 Qualified Tuition Program is a tax-advantage program created by Congress to help families save for future education expenses for a designated beneficiary. In North Dakota, the program is administered through the Bank of North Dakota and is called College Save.

530 Coverdell Education Savings Accounts are trusts created to pay the education expenses of the designated beneficiary.

LIHEAP/SNAP/TANF

529 plans and 530 plans are exempt assets as long as the monies remain in the account or are used for the intended purpose at the time withdrawn.

If withdrawn and not used for the intended purpose, they are considered income in the month withdrawn and an asset in the month following the withdrawal.

ACA Healthcare Coverages

Applicants and recipients whose eligibility is determined under ACA Medicaid coverages are not subject to an asset test.

Any withdrawal made from a 529 plan is excluded as income if the funds are used for the intended purposes. If the funds are withdrawn and not used for their intended purpose, they become taxable income and must be counted.

Non-ACA Healthcare Coverage

Since the purchaser of the 529 plan has access to the funds in the plan at any time, 529 plans are countable assets for Non-ACA Medicaid coverages.

Since funds used to create a 530 plan are placed into a trust, policy at 510-05-70-50 would apply.

Any withdrawals made from 529 or 530 plans are excluded as income if the funds are used for the intended purpose. If the funds are withdrawn and not used for their intended purpose, the income must be counted.

If you have any questions, please contact your Regional Representative.