

[First Reprint]

SENATE, No. 2770

STATE OF NEW JERSEY
216th LEGISLATURE

INTRODUCED FEBRUARY 24, 2015

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

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District 8 (Atlantic, Burlington and Camden)

Co-Sponsored by:

Senators Madden, Turner, Oroho, O'Toole and Gordon

SYNOPSIS

Authorizes establishment of tax-exempt Achieving a Better Life Experience accounts for persons with developmental disabilities

CURRENT VERSION OF TEXT

As reported by the Senate Health, Human Services and Senior Citizens Committee on March 9, 2015, with amendments.



(Sponsorship Updated As Of: 5/19/2015)

1 AN ACT concerning trust accounts for persons with developmental
 2 disabilities, amending P.L.1997, c.237, and supplementing Title
 3 30 of the Revised Statutes.

4
 5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*

7
 8 1. Section 13 of P.L.1997, c.237 (C.54A:6-25) is amended to
 9 read as follows:

10 13. a. Gross income shall not include earnings on ¹[an
 11 education individual retirement] a Coverdell education savings¹
 12 account, **[or]** a qualified State tuition program account, or a
 13 qualified ABLE account until the earnings are distributed from the
 14 account, at which time they shall be includible in the gross income
 15 of the distributee except as provided in this section.

16 b. Gross income shall not include qualified distributions as
 17 defined in paragraph (3) of subsection c. of this section.

18 c. For purposes of this section:

19 (1) ¹["Education individual retirement account"] "Coverdell
 20 education savings account"¹ means ¹[an education retirement] a
 21 Coverdell education savings¹ account as defined pursuant to
 22 paragraph (1) of subsection (b) of section 530 of the federal Internal
 23 Revenue Code of 1986, 26 U.S.C. s.530.

24 (2) ¹[(a)]¹ "Qualified State tuition program account" means an
 25 account established pursuant to the "New Jersey Better Educational
 26 Savings Trust (NJBEST) Program," (N.J.S.18A:71B-35 et seq.) ¹[,
 27 an account established pursuant to the "New Jersey Prepaid Higher
 28 Education Expense Program," P.L.2001, c.262 (C.18A:71B-64 et
 29 seq.)]¹ or an account established pursuant to any qualified State
 30 tuition program, as defined pursuant to subsection (b) of section
 31 529 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.529
 32 or a tuition credit or certificate purchased pursuant to any such
 33 program;

34 ¹[(b)] "Qualified ABLE account" means an account established
 35 pursuant to P.L. , c. (C.) (pending before the Legislature as
 36 this bill) or an account established pursuant to any qualified State
 37 ABLE program established pursuant to subsection (f) of section 529
 38 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.529]¹.

39 (3) "Qualified distribution" means any of the following:

40 (a) a distribution from a qualified State tuition program account
 41 that is used for qualified higher education expenses as defined
 42 pursuant to paragraph (3) of subsection (e) of section 529 or a
 43 distribution from a qualified ABLE account that is used for
 44 qualified disability expenses as defined pursuant to paragraph ¹[(3)
 45 of subsection (f) of section 529] (5) of subsection (e) of section

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SHH committee amendments adopted March 9, 2015.

1 529A¹ of the federal Internal Revenue Code of 1986, 26 U.S.C.
2 s.529 ¹or 529A¹;

3 (b) a rollover from one account to another account as described
4 in clause (i) of subparagraph (C) of paragraph (3) of subsection (c)
5 of section 529, ¹**¶**paragraph (4) of subsection (f) of section 529**¶**
6 clause (i) of subparagraph (C) of paragraph (1) of subsection (c) of
7 section 529A¹, or paragraph (5) of subsection (d) of section 530 of
8 the federal Internal Revenue Code of 1986, 26 U.S.C. s.529
9 ¹, 529A,¹ or 530; ¹or¹

10 (c) a change in designated beneficiaries of an account as
11 described in clause (ii) of subparagraph (C) of paragraph (3) of
12 subsection (c) of section 529, ¹**¶**paragraph (4) of subsection (f) of
13 section 529**¶** clause (ii) of subparagraph (C) of paragraph (1) of
14 subsection (c) of section 529A¹, or paragraph (6) of subsection (d)
15 of section 530 of the federal Internal Revenue Code of 1986, 26
16 U.S.C. s.529 ¹, 529A,¹ or 530 ¹**¶**;

17 (4) “Qualified ABLE account” means an account established
18 pursuant to P.L. , c. (C.) (pending before the Legislature as
19 this bill) or an account established pursuant to any qualified State
20 ABLE Program established pursuant to section 529A of the federal
21 Internal Revenue Code of 1986, 26 U.S.C. s.529A.¹

22 d. The portion of a distribution from ¹**¶**an education individual
23 retirement**¶** a Coverdell education savings¹ account, a qualified
24 ABLE account, or a qualified State tuition program account that is
25 attributable to earnings shall be determined in accordance with the
26 principles of section 72 of the federal Internal Revenue Code of
27 1986, 26 U.S.C. s.72, as applied for purposes of sections 529
28 ¹, 529A,¹ and 530 of the federal Internal Revenue Code of 1986, 26
29 U.S.C. ss.529 ¹, 529A,¹ and 530.

30 (cf: P.L.2001, c.262, s.21)

31

32 2. (New section) As used in P.L. , c. (C.) (pending
33 before the Legislature as this bill):

34 ¹“ABLE Program” or “program” means the “New Jersey
35 Achieving a Better Life Experience (ABLE) Program” established
36 pursuant to P.L. , c. (C.) (pending before the Legislature as
37 this bill);¹

38 "Account" means an individual ABLE account established ¹**¶**
39 accordance with**¶** by an eligible individual, which is owned by the
40 individual and maintained under the ABLE Program established
41 pursuant to¹ P.L. , c. (C.) (pending before the Legislature as
42 this bill);

43 "Contributor" means the person or organization contributing to
44 and maintaining an account and having the right to withdraw funds
45 from the account before the account is disbursed to or for the
46 benefit of the designated beneficiary;

1 "Designated beneficiary" means: ¹~~the~~ an eligible¹ individual
 2 ¹~~designated~~ at the time the account is opened as the individual
 3 whose qualified disability expenses are expected to be paid from the
 4 account and the replacement beneficiary if the change in designated
 5 beneficiary would not result in a distribution that is included in
 6 federal gross income under section 529 ~~who establishes and owns~~
 7 an ABLE account consistent with the provisions of P.L. ,
 8 c. (C.) (pending before the Legislature as this bill) and
 9 section 529A¹ of the federal Internal Revenue Code of 1986, 26
 10 U.S.C. ¹~~s.529~~ s.529A¹;

11 "Division" means the Division of Developmental Disabilities in
 12 the Department of Human Services;

13 ¹"Eligible Individual" means an eligible individual as defined in
 14 or for the purposes of section 529A of the federal Internal Revenue
 15 Code of 1986, 26 U.S.C. s.529A;¹

16 "Investment Manager" means the Division of Investment in the
 17 Department of the Treasury or the private entities authorized to do
 18 business in this State that may be designated by the division to
 19 invest the funds of the trust pursuant to the terms of
 20 P.L. , c. (C.) (pending before the Legislature as this bill);

21 "Member of the family" means a member of the family as
 22 defined in or for purposes of section ¹~~529~~ 529A¹ of the federal
 23 Internal Revenue Code of 1986, 26 U.S.C. ¹~~s.529~~ 529A¹;

24 "Nonqualified withdrawal" means a withdrawal from an account
 25 other than: (1) a qualified withdrawal; (2) a withdrawal made as the
 26 result of the death or disability of the designated beneficiary of an
 27 account; ¹~~or~~¹ (3) ¹~~a~~ withdrawal made on account of a scholarship
 28 (or allowance or payment described in subparagraph (B) or (C) of
 29 paragraph (1) of subsection (d) of section 135 of the federal Internal
 30 Revenue Code of 1986, 26 U.S.C. s.135) received by the designated
 31 beneficiary, but only to the extent of the amount of that scholarship,
 32 allowance or payment; or (4)]¹ a rollover or change in designated
 33 beneficiary which would not result in a distribution includible in
 34 federal gross income under section ¹~~529~~ 529A¹ of the federal
 35 Internal Revenue Code of 1986, 26 U.S.C. ¹~~s.529~~ 529A¹;

36 ¹~~"Program"~~ means the "New Jersey Achieving a Better Life
 37 Experience (ABLE) Program" established pursuant to
 38 P.L. , c. (C.) (pending before the Legislature as this bill);¹

39 "Qualified disability expenses" means expenses described in
 40 paragraph ¹~~(3)~~ (3) of subsection (f) of section 529 (5) of subsection
 41 (e) of section 529A¹ of the federal Internal Revenue Code of 1986,
 42 26 U.S.C. ¹~~s.529~~ s.529A¹, made for the benefit of an individual
 43 with a disability who is a designated beneficiary. A "qualified
 44 disability expense" shall be related to the beneficiary's disability
 45 and shall supplement, but not supplant, impair, or diminish, any
 46 benefits or assistance of any ¹~~Federal~~ federal¹, State, or other

1 governmental entity for which the beneficiary may otherwise be
2 eligible or which the beneficiary may be receiving;

3 "Qualified withdrawal" means a withdrawal from an account to
4 pay the qualified disability expenses of the designated beneficiary
5 of the account. A qualified withdrawal may be made by an agent of
6 the beneficiary who has power of attorney or by the beneficiary's
7 legal guardian;

8 "Trust" means the "New Jersey Achieving a Better Life
9 Experience Trust (ABLE Trust)" established pursuant to section 3
10 of P.L. , c. (C.) (pending before the Legislature as this
11 bill).

12
13 3. (New section) Pursuant to the ABLE ¹**["program"] Program**¹
14 established by P.L. , c. (C.) (pending before the Legislature
15 as this bill), there is created within the Division of Developmental
16 Disabilities in the Department of Human Services the New Jersey
17 Achieving a Better Life Experience (ABLE) Trust. The ABLE
18 ¹**["program"] Program**¹ shall provide a mechanism through which the
19 division, as trustee, holds accounts established and maintained in
20 the ABLE Trust pursuant to the provisions of this act to finance the
21 cost of qualified disability expenses.

22
23 4. (New section) The division shall administer the ABLE
24 Trust. The division shall have the power to:

- 25 a. serve as trustee of the trust;
- 26 b. adopt rules and regulations pursuant to the "Administrative
27 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to
28 carry out the provisions of P.L. , c. (C.) (pending before the
29 Legislature as this bill);
- 30 c. prescribe and provide appropriate forms for participation in
31 the program;
- 32 d. select an investment manager and any other contractors
33 needed to manage and market the program;
- 34 e. monitor the investment manager and any other contractors
35 by audits and other reports;
- 36 f. collect reasonable administrative fees in connection with any
37 contract or transaction relating to the program;
- 38 g. take all actions required so that the program is treated as a
39 qualified State ABLE ¹**["program"] Program**¹ under section ¹**["529"]**
40 **529A**¹ of the federal Internal Revenue Code of 1986, 26 U.S.C.
41 ¹**["s.529"] s.529A**¹; and
- 42 h. perform any other acts which may be deemed necessary or
43 appropriate to carry out the objectives and purposes of
44 P.L. , c. (C.) (pending before the Legislature as this bill).

45
46 5. (New section) Neither the members of the division, nor any
47 officer or employee of the division, shall be liable personally for the
48 debts, liabilities, or obligations of the ABLE ¹**["program"] Program**¹

1 established pursuant to P.L. , c. (C.) (pending before the
2 Legislature as this bill).

3
4 6. (New section) a. The division shall select an investment
5 manager or managers to invest the funds of the ABLE Trust or the
6 funds in ABLE accounts. In making this selection, any investment
7 manager shall be subject to the "prudent person" standard of care
8 applicable to the Division of Investment in the Department of the
9 Treasury pursuant to subsection b. of section 11 of P.L.1950, c.270
10 (C.52:18A-89), and the division shall consider the impact of fees
11 and costs imposed by the manager or managers on yield to
12 contributors.

13 b. The division may select more than one investment manager
14 and investment instrument for the program if it is in the best interest
15 of contributors and will not interfere with the administration of the
16 program.

17 c. The division may provide a contributor with a choice of
18 investment managers or investment instruments or both for the
19 program if both of the following conditions exist:

20 (1) the federal Internal Revenue Service has provided guidance
21 that providing a contributor with a choice of investment managers
22 or instruments under a State ABLE ¹**[program]** Program¹ will not
23 cause the program to fail to qualify for favorable tax treatment
24 under section ¹**[529]** 529A¹ of the federal Internal Revenue Code
25 of 1986, 26 U.S.C. ¹**[s.529]** s.529A¹; and

26 (2) the division concludes that a choice of investment managers
27 or of investment instruments is in the best interest of contributors
28 and will not interfere with the administration of the program.

29 d. If the division terminates the designation of an investment
30 manager to hold accounts, and accounts must be moved from that
31 investment manager to another investment manager, the division
32 shall select the investment manager and type of investment
33 instrument to which the balance of the account is moved, unless the
34 federal Internal Revenue Service provides guidance that allowing
35 the contributor to select among several investment managers or
36 investment instruments that have been selected by the division
37 would not cause a program to cease to be a qualified State ABLE
38 ¹**[program]** Program¹ for the purposes of ¹**[subsection (f) of]**¹
39 section ¹**[529]** 529A¹ of the federal Internal Revenue Code, 26
40 U.S.C. ¹**[s.529]** s.529A¹.

41 e. If the selection process provided for in this section results in
42 an investment manager other than the Division of Investment, the
43 division shall provide for the orderly transfer of accounts and shall
44 ensure that all the rights of the contributors and designated
45 beneficiaries participating in the program are protected.

46
47 7. (New section) a. The ABLE ¹**[program]** Program¹ shall be
48 operated as a trust through the use of accounts for designated

1 beneficiaries. An account may be opened by ¹any person who
2 desires to save to pay the qualified disability expenses of ¹an
3 'eligible' individual by satisfying each of the following
4 requirements:

5 (1) completing an application in the form prescribed by the
6 division;

7 (2) ¹paying the one-time application fee established by the
8 division;

9 (3) ¹making the minimum contribution required by the division
10 for opening an account ¹, which in no case shall be an amount
11 greater than the minimum contribution required by the division for
12 opening an account under the NJBEST Program established
13 pursuant to N.J.S.18A:71B-35 et seq.¹ ;

14 ¹(4) designating the account or accounts to be opened; and

15 (5) in the case of an account to which subsection a. of section 8
16 of P.L. , c. (C.) (pending before the Legislature as this bill)
17 would apply, ¹and

18 (3)¹ demonstrating to the satisfaction of the division that ¹either
19 the contributor, if an individual, or ¹the designated beneficiary is a
20 New Jersey resident. ¹The requirement of New Jersey residency
21 for either the contributor or the designated beneficiary would not
22 apply to an account to which subsection b. of section 8 of
23 P.L. , c. (C.) (pending before the Legislature as this bill)
24 would apply unless otherwise determined by the division. ¹

25 b. ¹In no case shall a designated beneficiary establish, own, or
26 maintain more than one ABLE account at one time. Unless
27 otherwise permitted under section 529A of the federal Internal
28 Revenue Code of 1986, 26 U.S.C. s.529A, an account subsequently
29 established for such beneficiary shall not be treated as an ABLE
30 account.

31 c. (1)¹ Contributions to accounts shall be made only in cash,
32 as defined by the division pursuant to regulations, in accordance
33 with section ¹~~529~~ 529A¹ of the federal Internal Revenue Code of
34 1986, 26 U.S.C. ¹~~s.529~~ 529A.

35 (2) Except in the case of contributions under subparagraph (C)
36 of paragraph (1) of subsection (c) of section 529A of the federal
37 Internal Revenue Code of 1986, 26 U.S.C. s.529A, no contribution
38 may be accepted if it would result in aggregate contributions to the
39 account exceeding the amount in effect under subsection (b) of
40 section 2503 of the federal Internal Revenue Code of 1986, 26
41 U.S.C. s.2503, for the calendar year in which the taxable year
42 begins¹.

43 ¹~~c.~~ d.¹ Contributors may withdraw all or part of the balance
44 from an account on sixty days' notice or a shorter period, as may be
45 authorized by the division pursuant to regulations. The contributor
46 shall provide written notice of the withdrawal to the trustee and to
47 the designated beneficiary.

1 ¹[d. A contributor may change the] e. (1) The¹ designated
 2 beneficiary of an account ¹may be changed¹, provided that the new
 3 beneficiary qualifies as a designated beneficiary for the purposes of
 4 P.L. , c. (C.) (pending before the Legislature as this bill) ¹[,
 5 or rollover all] and such change meets the requirements of, and
 6 would not result in a distribution includible in gross income under,
 7 section 529A of the federal Internal Revenue Code of 1986, 26
 8 U.S.C. s.529A.

9 (2) All¹ or a portion of an account ¹may be rolled over¹ to
 10 another account, provided that the other account ¹[that meets the
 11 requirements of this act, if the change or] is a qualifying ABLE
 12 account that meets the requirements of P.L. , c. (C.)
 13 (pending before the Legislature as this bill) and such¹ rollover
 14 would not result in a distribution includible in gross income under
 15 section ¹[529] 529A¹ of the federal Internal Revenue Code of
 16 1986, 26 U.S.C. ¹[s.529, in accordance with procedures established
 17 by the division] 529A¹.

18 ¹[e.] f.¹ Each account shall be maintained separately from
 19 each other account under the program.

20 ¹[f.] g.¹ Separate records and accounting shall be maintained
 21 for ¹[each] the¹ account ¹[for] of¹ each designated beneficiary.

22 ¹[g.] h. (1) A designated beneficiary may, directly or
 23 indirectly, direct the investment of any contributions to the
 24 program, or any earnings thereon, no more than two times in any
 25 calendar year.

26 (2)¹ A contributor to ¹[or designated beneficiary of any] an¹
 27 account shall not direct the investment of any contributions to an
 28 account or the earnings from the account, except as permitted under
 29 section ¹[529] 529A¹ of the federal Internal Revenue Code of
 30 1986, 26 U.S.C. ¹[s.529] 529A¹.

31 ¹[h.] i.¹ A contributor or a designated beneficiary shall not
 32 use an interest in an account as security for a loan. Any pledge of
 33 an interest in an account is of no force and effect.

34 ¹[i.] j.¹ The maximum ¹individual¹ contribution ¹and
 35 maximum aggregate contributions¹ for any designated beneficiary
 36 shall be determined by the division pursuant to regulations, in
 37 accordance with section ¹[529] 529A¹ of the federal Internal
 38 Revenue Code of 1986, 26 U.S.C. ¹[s.529] 529A¹.

39 ¹[j.] k.¹ Statements, reports on distributions, ¹notices of the
 40 establishment of accounts¹ and information returns relating to
 41 accounts shall be prepared, distributed, and filed ¹[to the extent
 42 required by] in accordance with subsection (d) of¹ section ¹[529]
 43 529A¹ of the federal Internal Revenue Code of 1986, 26 U.S.C.
 44 ¹[s.529] s.529A¹, or regulations issued thereunder.

1 ¹**[k.] l.**¹ The division may charge, impose, and collect
2 reasonable administrative fees and service charges in connection
3 with any agreement, contract, or transaction relating to the program.
4 These fees and charges may be imposed directly on contributors or
5 may be taken as a percentage of the investment earnings on
6 accounts.

7 ¹**[l.] m.**¹ The State or any State agency, municipality, or other
8 political subdivision may, by contract or collective bargaining
9 agreement, agree with any employee to remit contributions to
10 accounts through payroll deductions made by the appropriate officer
11 or officers of the State, State agency, county, municipality, or
12 political subdivision. The contributions shall be held and
13 administered in accordance with P.L. , c. (C.) (pending
14 before the Legislature as this bill).

15 ¹**[m.]** A contributor, if an individual, may designate another
16 person as a successor contributor in the event of the death of the
17 original contributor. The person who opens the account, or any
18 successor contributor, shall be considered the contributor as defined
19 in section 2 of P.L. , c. (C.) (pending before the
20 Legislature as this bill).¹

21 n. Any person may make contributions to an account,
22 consistent with ¹subsection c. of this section and¹ the terms
23 established by the division, after the account is opened.

24 o. Moneys paid into or out of an ABLE account by or on behalf
25 of a contributor or designated beneficiary for the purposes of
26 financing the cost of qualified disability expenses under
27 P.L. , c. (C.) (pending before the Legislature as this bill) are
28 exempt from all claims of creditors of the contributor or the
29 designated beneficiary.

30 p. Subject to any outstanding payments due for qualified
31 disability expenses, in the case that the designated beneficiary dies
32 or ceases to be an individual with a disability, all amounts
33 remaining in the qualified ABLE account not in excess of the
34 amount equal to the total medical assistance paid for the designated
35 beneficiary after the establishment of the account, net of any
36 premiums paid from the account or paid by or on behalf of the
37 beneficiary to a Medicaid Buy-In program, shall be distributed to
38 the State upon the State filing a claim for payment. For the
39 purposes of this subsection, the State shall be a creditor of the
40 ABLE account and not a beneficiary. ¹**[Paragraph (3) of subsection**
41 **(c) of 26 U.S.C. s.529 shall not apply to a distribution to the State**
42 **pursuant to this subsection.]**¹

43

44 8. (New section) a. If the investment manager is the Division
45 of Investment in the Department of the Treasury, in order to assure
46 the availability of principal of any amount contributed under
47 P.L. , c. (C.) (pending before the Legislature as this bill),
48 there shall be paid to the division for deposit in the trust, at the time

1 of distribution, subject to appropriation, such sum, if any, as shall
2 be certified by the Director of the Division of Developmental
3 Disabilities in the Department of Human Services as necessary to
4 provide that amount at the time of distribution. The director shall
5 make and deliver to the Governor, or the Governor's designee, the
6 certificate stating the sums, if any, required to make available in the
7 trust the amount aforesaid, and the sums so certified shall be
8 appropriated and paid to the division during the then current State
9 fiscal year.

10 b. If the investment manager is a private entity, the investment
11 of the principal and interest of any amount contributed under
12 P.L. , c. (C.) (pending before the Legislature as this bill)
13 shall be made in accordance with an investment plan approved by
14 the State Investment Council in the Division of Investment.

15

16 9. (New section) Annually, the division shall determine a
17 dollar amount of an ABLE account, which shall not be less than
18 \$25,000, which shall not be considered in evaluating the financial
19 needs of a designated beneficiary or be deemed a financial resource
20 or a form of financial aid or assistance to a designated beneficiary,
21 for purposes of determining the eligibility of the beneficiary for any
22 scholarship, grant, or monetary assistance awarded by the State for
23 the purposes of financing the education expenses of the beneficiary,
24 including higher education expenses; nor shall the amount of any
25 account as determined by the division provided for a designated
26 beneficiary under P.L. , c. (C.) (pending before the
27 Legislature as this bill) reduce the amount of any scholarship grant
28 or monetary assistance which the beneficiary is entitled to be
29 awarded by the State for the purposes of financing education
30 expenses.

31

32 10. (New section) Notwithstanding any other provision of State
33 law that requires consideration of one or more financial
34 circumstances of an individual, for the purpose of determining
35 eligibility to receive, or the amount of, any assistance or benefit
36 authorized by such provision to be provided to or for the benefit of
37 such individual, any amount, including earnings thereon, in any
38 ABLE account of such individual, and any distribution for qualified
39 disability expenses shall be disregarded for such purpose with
40 respect to any period during which such individual maintains,
41 makes contributions to, or receives distributions from such ABLE
42 account.

43

44 11. (New section) a. Nothing in P.L. , c. (C.) (pending
45 before the Legislature as this bill) shall be construed to:

46 (1) guarantee the availability or provision of disability-related
47 services to a designated beneficiary;

1 (2) establish State residency for a person merely because the
2 person is a designated beneficiary; or
3 (3) guarantee that amounts saved pursuant to the program will
4 be sufficient to cover the qualified disability expenses of a
5 designated beneficiary.
6 b. Nothing in P.L. , c. (C.) (pending before the
7 Legislature as this bill) establishes any obligation of this State or
8 any agency or instrumentality of this State to guarantee for the
9 benefit of any contributor or designated beneficiary any of the
10 following:
11 (1) the rate of interest or other return on any account; or
12 (2) the payment of interest or other return on any account.
13 c. Nothing in P.L. , c. (C.) (pending before the
14 Legislature as this bill) establishes any obligation or liability of this
15 State or any agency or instrumentality of this State with respect to
16 any federal or State tax liability of any contributor or designated
17 beneficiary in this program.
18 d. Under regulations promulgated by the division, every
19 contract and application that may be used in connection with a
20 contribution to an account shall clearly indicate that the account is
21 not insured by this State nor is the investment return guaranteed by
22 this State.
23
24 12. This act shall take effect ¹“upon enactment of the federal
25 “Achieving a Better Life Experience Act of 2013”¹ on the 45th day
26 after the date of enactment¹ and section 1 shall apply to
27 contributions made for taxable years beginning after the effective
28 date.