

256Q.04 ABLE PLAN REQUIREMENTS.

Subdivision 1. **State residency requirement.** The designated beneficiary of an ABLE account must be a resident of Minnesota, or the resident of a state that has entered into a contract with Minnesota to provide its residents access to the Minnesota ABLE plan.

Subd. 2. **Single account requirement.** No more than one ABLE account shall be established per beneficiary, except as permitted under section 529A(c)(4) of the Internal Revenue Code.

Subd. 3. **Accounts-type plan.** The plan must be operated as an accounts-type plan. A separate account must be maintained for each designated beneficiary for whom contributions are made.

Subd. 4. **Contribution and account requirements.** Contributions to an ABLE account are subject to the requirements of section 529A(b)(2) of the Internal Revenue Code prohibiting noncash contributions and contributions in excess of the annual contribution limit. The total account balance may not exceed the maximum account balance limit imposed under section 136G.09, subdivision 8.

Subd. 5. **Limited investment direction.** Designated beneficiaries may not direct the investment of assets in their accounts more than twice in any calendar year.

Subd. 6. **Security for loans.** An interest in an account must not be used as security for a loan.

History: 2015 c 71 art 7 s 47