§ 695-b. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Account" or "family tuition account" shall mean an individual savings account established in accordance with the provisions of this article.

2. "Account owner" shall mean a person who enters into a tuition savings agreement pursuant to the provisions of this article, including a person who enters into such an agreement as a fiduciary or agent on behalf of a trust, estate, partnership, association, company or corporation. The account owner may also be the designated beneficiary of the account.

3. "Designated beneficiary" shall mean, with respect to an account or accounts, the individual designated as the individual whose higher education expenses are expected to be paid from the account or accounts.

4. "Financial organization" shall mean an organization authorized to do business in the state of New York and (a) which is an authorized fiduciary to act as a trustee pursuant to the provisions of an act of congress entitled "Employee Retirement Income Security Act of 1974" as such provisions may be amended from time to time, or an insurance company; and (b)(i) is licensed or chartered by the department of financial services, (ii) is chartered by an agency of the federal government, (iii) is subject to the jurisdiction and regulation of the securities and exchange commission of the federal government, or (iv) is any other entity otherwise authorized to act in this state as a trustee pursuant to the provisions of an act of congress entitled "Employee Retirement Income Security Act of 1974" as such provisions may be amended from time to time.

5. "Eligible educational institution" shall mean (a) any institution of higher education defined as an eligible educational institution in section 529(e)(5) of the Internal Revenue Code of 1986, as amended, or (b) any apprenticeship program described in section 529(c)(8) of the Internal Revenue Code of 1986, as amended.

6. "Member of family" shall mean a family member as defined in section 529 of the Internal Revenue Code of 1986, as amended.

7. "Program" shall mean the New York state college choice tuition savings program established pursuant to this article.

8. "Qualified higher education expenses" shall mean any qualified higher education expense included in section 529 of the Internal Revenue Code of 1986, as amended.

9. "Qualified withdrawal" shall mean a withdrawal from an account:

a. to pay the qualified higher education expenses of the designated beneficiary of the account at an eligible educational institution;

b. to pay principal and interest on any qualified education loan as provided for in section 529(c)(9) of the Internal Revenue Code of 1986, as amended; and

c. to make a rollover to a Roth Individual Retirement Account as provided for in section 529(c)(3)(E) of the Internal Revenue Code of 1986, as amended.

10. "Nonqualified withdrawal" shall mean a withdrawal from an account but shall not mean:

a. a qualified withdrawal;

b. a withdrawal made as the result of the death or disability of the designated beneficiary of an account; or

c. a withdrawal made on the account of a scholarship.

11. "Corporation" shall mean the New York state higher education services corporation.

12. "Comptroller" shall mean the comptroller of the state of New York.

13. "Management contract" shall mean the contract executed by the comptroller and a financial organization selected to act as a depository and manager of the program.

14. "Tuition savings agreement" shall mean an agreement between the comptroller or a financial organization and the account owner.

15. "Program manager" shall mean a financial organization selected by the comptroller to act as a depository and manager of the program.