

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding a section numbered 23.1-707.1, relating to the Virginia*
3 *College Savings Plan; prepaid tuition contracts; pricing reserves.*

4 [S 1368]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding a section numbered 23.1-707.1 as follows:**8 **§ 23.1-707.1. *Prepaid tuition contracts; pricing reserves; limitations.***9 *A. As used in this section:*10 *"Funded status" means the ratio of the assets of the Plan to the obligations of the Plan, expressed as*
11 *a percentage.*12 *"Pricing reserve" means the percentage by which the sum of advanced payments to be made*
13 *pursuant to each prepaid tuition contract exceeds the amount estimated to be required to provide tuition*
14 *at the fixed, guaranteed level that is specified in such prepaid tuition contract.*15 *B. In the event that the funded status of the Plan meets or exceeds 105 percent, the pricing reserve*
16 *shall not exceed five percent.*17 *C. In the event that the funded status of the Plan does not meet or exceed 105 percent, the pricing*
18 *reserve may exceed five percent but shall not exceed 10 percent.*19 *D. The board shall provide to the House Committee on Appropriations, the Senate Committee on*
20 *Finance, and the Joint Legislative Audit and Review Commission written notification and a detailed*
21 *explanation of any change to the pricing reserve within 30 days of such change.*

ENROLLED

SB1368ER