

74-50,206. Same; inappropriate purpose for withdrawal of moneys; forfeiture of matching moneys, exceptions; transfer of account upon death of account holder. (a) Except as otherwise provided, account holders who withdraw moneys from an individual development account not in accordance with subsections (a) through (e) of K.S.A. 2014 Supp. 74-50,204, and amendments thereto, shall forfeit all matching moneys in the account. Account holders who withdraw moneys from an individual development account not in accordance with subsections (a) through (e) of K.S.A. 2014 Supp. 74-50,204, and amendments thereto, due to an emergency related to the illness or death of a family member of the account holder, illness of the account holder or loss of employment of the account holder, shall remain an account holder and shall not forfeit all matching moneys in the account as provided by this section as long as the balance in the individual development account reaches the amount in such account prior to such withdrawal within 12 months of the date of such withdrawal or within the number of months the account holder has been depositing funds in the individual development account, whichever occurs later.

(b) All moneys forfeited by an account holder pursuant to subsection (a) shall be returned to the individual development account reserve fund of the contributing community-based organization.

(c) In the event of an account holder's death, the account may be transferred to the ownership of a contingent beneficiary. An account holder shall name contingent beneficiaries at the time the account is established and may change such beneficiaries at any time. If the named beneficiary is deceased or otherwise cannot accept the transfer, the moneys shall be transferred to the individual development account reserve fund of the contributing community-based organization.

History: L. 2005, ch. 104, § 6; Apr. 21.