**Section 722.740 Excess Contributions**

a) If any contribution or any portion of a contribution is deposited into or allocated to an account in excess of the limits under Section 560(b) or Section 570, or the Program is made aware that it received an excess compensation contribution under Section 560(d), the Program must return the amount of the excess contribution to the person or persons that made the contribution along with all net income attributable to such excess, in accordance with and as required by Section 1.529A-2(g)(4) of the Treasury Regulation. In accordance with Section 1.529A-6(a)(2) of the Treasury Regulation, the Program must also furnish the required federal tax information to the designated beneficiary of the ABLE account and to each contributor who received a returned contribution in accordance with Section 1.429A-2(g)(4) of the Treasury Regulation. Tax consequences of any excess contribution are the responsibility of the person who made the excess contribution.

b) If a contribution or portion of a contribution in excess of the limits under Section 722.560 or 722.570 is returned to a contributor other than the designated beneficiary, the ABLE Program must notify the designated beneficiary or the designated representative of such return at the time of the return. No notification is required if the amounts are rejected by the Program before they are deposited or allocated into the designated beneficiary’s account.

c) If the Program directs the account administrator to carry out the Program’s obligations under this Section, the account administrator will carry out these obligations as required by Sections 1.529A-2(g)(4) and 1.529A-6(a), (b) of the Treasury Regulation.

(Source: Amended at 46 Ill. Reg. 19242, effective November 20, 2022)