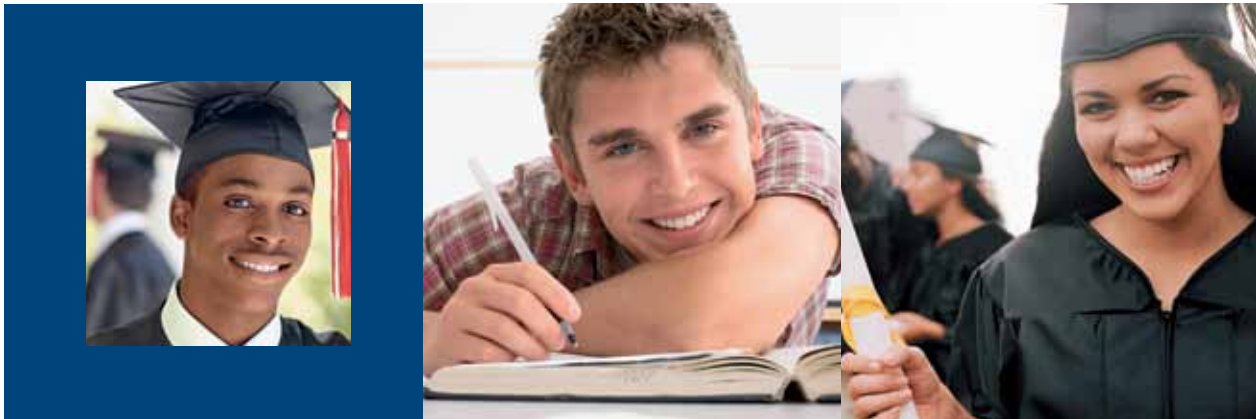


# Dream BIG!

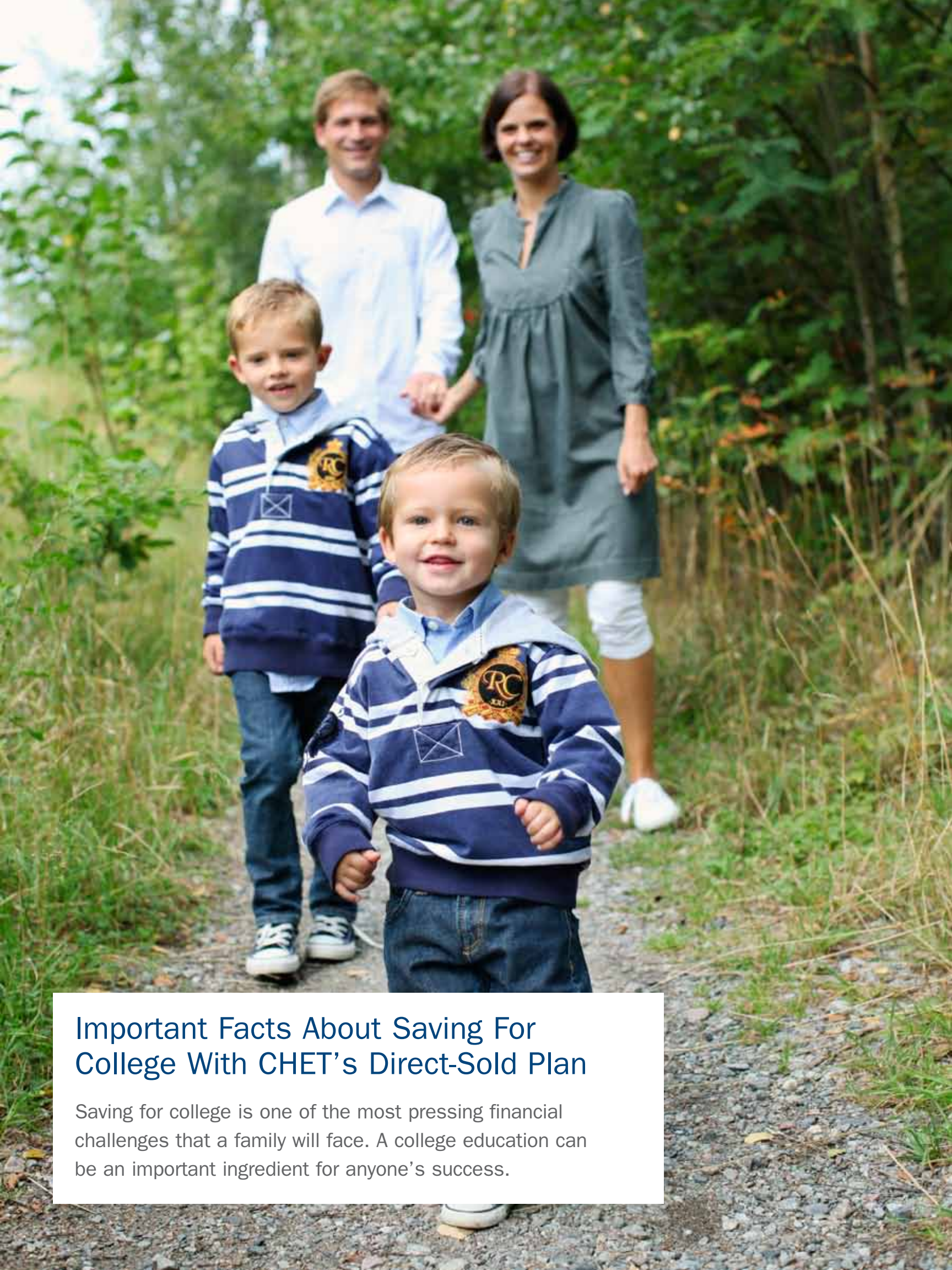


How to go from here  
to there.



**Check CHET Out!**

[www.aboutchet.com](http://www.aboutchet.com)



## Important Facts About Saving For College With CHET's Direct-Sold Plan

Saving for college is one of the most pressing financial challenges that a family will face. A college education can be an important ingredient for anyone's success.

# Developing a college savings strategy can be a lot easier than you think. This enrollment book and the enclosed Disclosure Booklet are designed to provide you with information about 529 College Savings Plans and details specific to CHET's direct-sold plan.

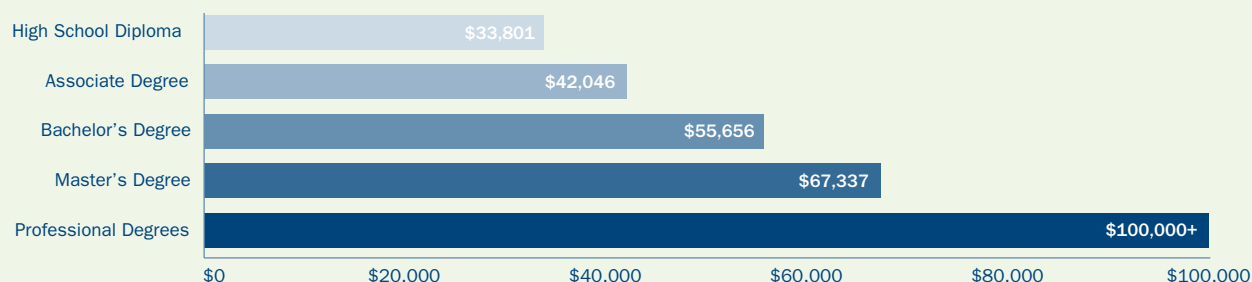
Research shows that people with college degrees can have more job choices and earn more money than people with no college degree. In fact, according to a recent U.S. Census Bureau report, over an adult's working life, high school graduates can expect, on average, to earn \$1.2 million; those with a bachelor's degree, \$2.1 million; and people with a master's degree, \$2.5 million.\*

For most families, saving enough to pay for the costs of higher education can seem overwhelming. Tuition costs historically have risen faster than the overall rate of inflation. Research shows that by the year 2020 the average cost of attending a private four-year college will be over \$245,000.\*\* But with proper planning, funding a college education, like any major financial goal, may be easier to achieve.

\* Source: U.S. Census Bureau, [usgovinfo.about.com/od/moneymatters/a/edandearnings.htm](http://usgovinfo.about.com/od/moneymatters/a/edandearnings.htm), Lifetime Earnings Soar with Education (2009)

\*\* Source: *Trends in College Pricing 2009*, The College Board, 2009–2010, [www.collegeboard.com](http://www.collegeboard.com).

## EARN MORE MONEY: a person who goes to college usually earns more than a person who does not.



This information is based on the U.S. Census Bureau's 2008 median earnings for full-time workers of at least 25 years old.

Source: The College Board, "Why Get a College Degree?" 2010

# Take advantage of Connecticut's Direct-Sold 529 college savings plan.

The Connecticut Higher Education Trust Program (CHET) offers you a smart, tax-advantaged way to help save for a child's, a grandchild's, or anyone's higher education costs. CHET is the only direct-sold 529 college savings plan for which Connecticut taxpayers may claim a Connecticut state income tax deduction on contributions while taking advantage of the low fees available to consumers who want to invest into the state-sponsored 529 college savings plan.

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## CHET IS FOR EVERY CHILD INCLUDING YOURS

“Every child deserves a chance to go to college, and CHET can help you save. There are no income levels or restrictions — anyone may participate in CHET — and receive significant tax benefits while planning for a child's future. CHET is for every child — including yours.”

– Connecticut State Treasurer

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## WHAT IS A 529 PLAN?

Recognizing the escalating costs of college and the financial burden placed on families, Congress created qualified tuition savings plans, known as 529 college savings plans. 529 plans were designed to help families contribute funds for future college costs by offering special tax benefits to plan participants. Any earnings are federal and state income tax-deferred and, if used for qualified higher education expenses, are free from federal and state income tax upon withdrawal. Authorized by the Connecticut General Assembly in 1997, CHET's direct-sold 529 college savings plan is the official direct-sold 529 college savings plan for Connecticut, managed by TIAA-CREF Tuition Financing, Inc. (TFI). It was created specifically to help families save after-tax dollars for future college expenses.

## THE CHET ADVANTAGE

CHET's direct-sold 529 college savings plan is designed for people who want to invest into a state-sponsored 529 college savings plan to take advantage of the low program management fees offered in a direct-sold program. Advisor-sold 529 plans are for people who prefer to invest through a financial advisor and typically have higher fees and expenses, and includes compensation to financial advisors.

As an added incentive to inspire families to save, CHET's direct-sold plan is the only direct-sold 529 college savings plan for which Connecticut taxpayers may claim a Connecticut state income tax deduction on contributions while taking advantage of the low program management fees available to consumers who want to invest into a state-sponsored 529 college savings plan.

## ABOUT TIAA-CREF TUITION FINANCING, INC.

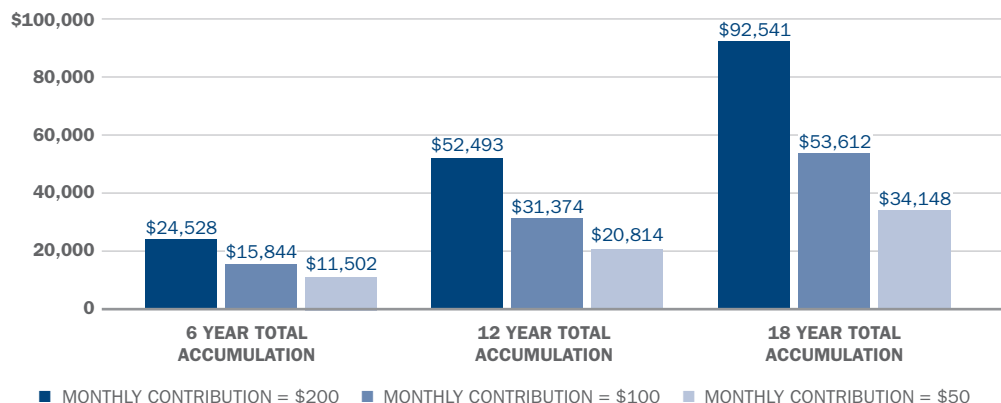
TIAA-CREF Tuition Financing, Inc. is a leader in 529 plan management and is an affiliate of TIAA-CREF, a financial services organization with more than 90 years of investment experience. Their combined assets under management equate to nearly \$434 billion (as of September 30, 2010) and they are best known as the leading provider of retirement services in the academic, research, medical and cultural fields.

# A meaningful contribution is easier than you think.

It is important for you and your child or loved one to dream big about their future and the impact that a college degree can have on their future success. However, developing a college savings strategy designed to meet those dreams requires a plan. CHET's direct-sold 529 plan is designed to be a convenient tool to help families develop an investment strategy to help meet their college savings objectives.

The chart below shows how you can take advantage of the potential effect of compound interest as your investments grow. The more you invest, and the earlier you start, the more opportunity your money has to grow. Visit our Web site at [www.aboutchet.com](http://www.aboutchet.com) and use the calculator to customize a calculation based on your particular situation.

## THE MORE YOU INVEST, AND THE EARLIER YOU START, THE MORE OPPORTUNITY YOUR MONEY HAS TO GROW



These hypothetical examples illustrate the future values of different regular monthly investments for different time periods and assume an annual investment return of 6% with an initial investment of \$5,000 and no withdrawals during the relevant time period. The examples are presented for illustrative purposes and do not reflect withdrawals, deductions for fees or taxes, or actual performance; nor do they predict future results of investing in CHET's direct-sold 529 plan. **Account values will fluctuate with market conditions and specific Investment Options that are selected.**

## DID YOU KNOW?

In College Board's Trends in Higher Education Series, the following stats are highlighted in the Trends in College Pricing 2010 report's published tuition and fee and room and board charges.

- In-state tuition and fees at public four-year institutions average \$7,605 in 2010–11, \$555 (7.9%) higher than in 2009–10. Average total charges, including tuition and fees and room and board, are \$16,140, up 6.1%.
- Out-of-state tuition and fees at public four-year colleges and universities average \$19,595, \$1,111 (6.0%) higher than in 2009–10. Average total charges are \$28,130, up 5.6%.
- Tuition and fees at private nonprofit four-year colleges and universities average \$27,293 in 2010–11, \$1,164 (4.5%) higher than in 2009–10. Average total charges, including tuition and fees and room and board, are \$36,993, up 4.3%.

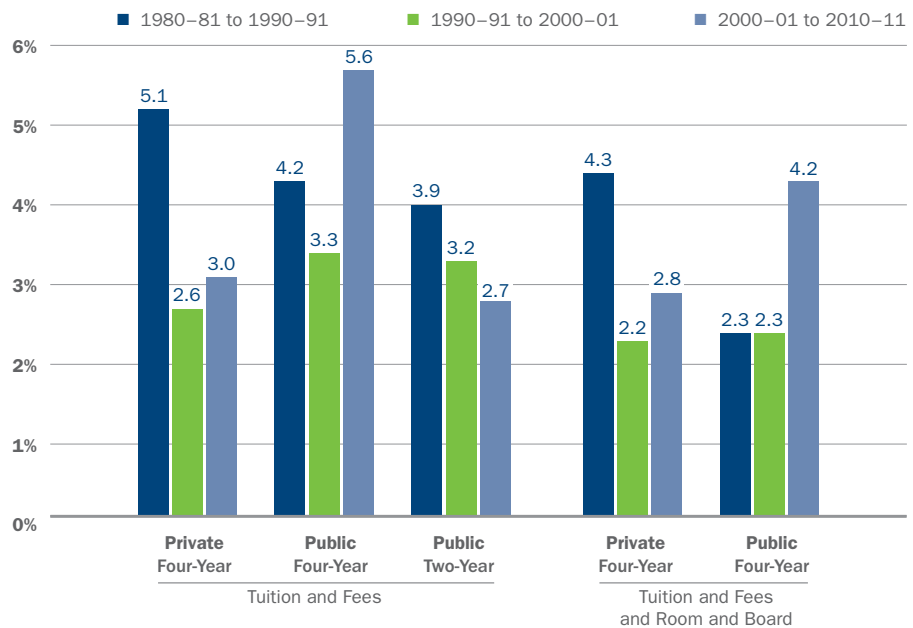
Source: The College Board, *Trends in College Pricing 2010*, pg 3.

# Did you know?

According to the College Board's Trends in College Pricing 2010, "Over the decade from 2000–01 to 2010–11, published tuition and fees at public four-year colleges and universities increased at an average rate of 5.6% per year beyond the rate of general inflation. This growth rate led the price to increase from 22% of the average tuition and fees at private nonprofit four-year institutions to 28% over the decade."\*

## AVERAGE ANNUAL PERCENTAGE INCREASES

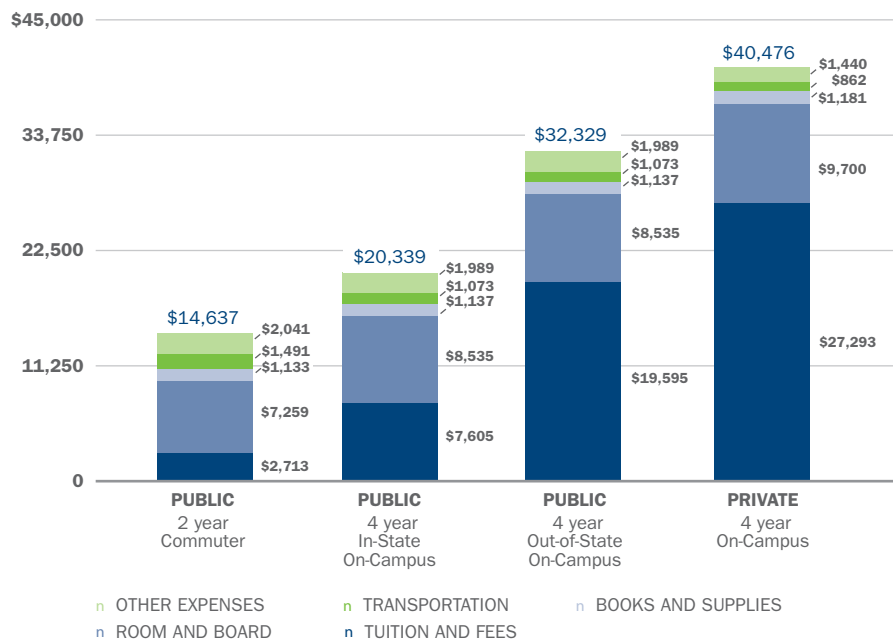
in Inflation-Adjusted Published Prices by Decade, 1980–81 to 2010–11



\*Chart Source: The College Board, Trends in College Pricing 2010, trends.collegeboard.org/downloads/College\_Pricing\_2010.pdf

"Tuition and fees constitute about 37% of the total budget for in-state students living on campus at public four-year colleges and universities and less than 20% of the budget for public two-year college students who pay for off-campus housing." (Source: The College Board, Trends in College Pricing 2010, pg 6).

## AVERAGE ESTIMATED UNDERGRADUATE BUDGETS 2010–2011 (ENROLLMENT-WEIGHTED)



NOTE: Expense categories are based on institutional budgets for students as reported by colleges and universities in the Annual Survey of Colleges. They do not necessarily reflect actual student expenditures. The College Board's source for this data was: The College Board, Annual Survey of Colleges.

Source: The College Board, Trends in College Pricing 2010, pg 6.



## Getting an idea of what you'll need.

While your child or loved one works to get into college, you can invest to help make cost less of an obstacle when it's time to enroll. With CHET's direct-sold 529 plan, there's no big up-front financial commitment.

You can open an account right now for as little as \$25 per investment option. Contribute what you can, as often as you like, through any of the following flexible methods:

- **Check:** As funds become available, deposit as little as \$25 at a time into your CHET account.
- **Automatic Contributions:** With CHET's direct-sold plan's Automatic Contribution Plan (ACP), you can establish convenient monthly, semimonthly, or quarterly contributions of as little as \$25 from your checking or savings account. When you automate your contributions with ACP you don't have to try to remember to make contributions. Contributions automatically occur when you want, giving you a better chance to meet your college savings objectives.
- **Payroll Deduction:** If your employer allows payroll deduction, the minimum is only \$15.
- **Rollovers:** If you already have an existing 529 program, Coverdell Savings Plan, or UGMA/UTMA account, you may be able to roll those assets into your CHET direct-sold college saving's plan account. Download applications at [www.aboutchet.com](http://www.aboutchet.com) after talking with your tax advisor regarding possible tax consequences.

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**THE LOW COSTS OF CHET'S DIRECT-SOLD PLAN MAY MEAN THAT MORE OF YOUR INVESTMENT DOLLARS CAN WORK FOR YOU.**

Consider opening your account today. Use the enclosed enrollment materials or complete an online application at [www.aboutchet.com](http://www.aboutchet.com).

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# Other CHET Direct-Sold Advantages.

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## ANYONE CAN OPEN AN ACCOUNT

Anyone with a Social Security Number or Federal Taxpayer Identification Number can open an account with as little as \$25 (\$15 if your employer offers payroll deduction).

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## STATE TAX DEDUCTION ON 529 PLAN CONTRIBUTIONS

Connecticut taxpayers contributing to a CHET account may be eligible for an annual Connecticut income tax deduction on contributions up to \$10,000 for married couples filing jointly or \$5,000 for individual filers. Contributions must be made by December 31 to be eligible for the deduction on the current year return. These limits apply on an aggregate basis (not a per beneficiary basis) to all contributions made to all CHET accounts during the tax year. Connecticut taxpayers may not claim a deduction for a rollover into a CHET account from a non-CHET account or for a transfer into a CHET account from a Coverdell education savings account.

## TAX-DEFERRED EARNINGS

After-tax contributions to CHET will have the opportunity to grow free from federal and Connecticut state income tax.

## TAX-FREE WITHDRAWALS

Withdrawals of any earnings for qualified higher education expenses are free of federal and Connecticut state income tax.

## LOW EXPENSES

The program management fee for CHET's direct-sold 529 college savings plan is 20 basis points—one of the lowest-cost plans in the nation. The total asset based fee (program management fee plus cost of underlying funds) range from 34 basis points to 98 basis points depending upon the option. That's just \$3.40 to \$9.80 for every \$1,000 invested. The Principal Plus Interest Option does not have a program management fee. Additionally, there are:

- no maintenance fees
- no commissions
- no enrollment fees
- no withdrawal fees

## CHOICE OF SCHOOLS

Your beneficiary can use the funds at thousands of eligible colleges and higher education institutions nationwide and abroad for tuition as well as books and other supplies, required fees and certain room and board costs.

## IT'S TRANSFERABLE

If your beneficiary decides not to attend college, you may transfer funds in your account to another eligible family member of the original beneficiary. An account owner may also transfer existing funds from one investment option to another once per calendar year.

## NO INCOME RESTRICTIONS OR ANNUAL CONTRIBUTION LIMITS

Parents, grandparents, relatives and friends of any income level may open an account. There is no annual limit to the amount you may contribute; however, there is an overall account balance limit on contributions of \$300,000 per beneficiary. Your account may continue to grow beyond the maximum account balance limit but no further contributions are allowed.



## Give the Gift of Education.

### CHET MAKES A GREAT GIFT FOR EVERY OCCASION

Every parent dreams of the day their child or loved one graduates from college. Grandparents, aunts, uncles and friends of the family can help by giving a creative gift by opening a new account or contributing to an existing CHET direct-sold account for as little as \$25. Whether it's for someone months or years away from college your gift can give you several tax benefits in return:

**Federal Estate and Gift Tax Benefits:** Contributions to the CHET direct-sold plan may reduce the taxable value of your estate. Your contributions, together with all other gifts from you to the designated beneficiary, may qualify for an annual federal gift tax exclusion of \$13,000 per donor, per designated beneficiary for 2010 or 2011. If your contribution to an account in the CHET direct-sold plan exceeds that \$13,000 (or \$26,000 for joint filers) exclusion, you may elect to treat up to \$65,000 of the contributions (or \$130,000 for joint filers) as having been made over a period of up to five years for purposes of determining your annual federal tax exclusion. Consult your tax advisor for additional details.

**Other Tax Benefits:** When you give the gift of education, you may be eligible for other benefits. Please see page 6 for more details:

- Connecticut state tax deduction
- Tax-deferred earnings
- Tax-free withdrawals

When you gift a new CHET direct-sold account or make a contribution to an existing account you are giving a gift that can make a long-term difference in the life of a child or loved one. Visit [www.chetgifting.com](http://www.chetgifting.com) to download convenient tools to help you symbolize your gift and learn how friends and family members can help you reach your college savings objectives.

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### DON'T GO IT ALONE

Saving for college is one of the most pressing financial challenges that a family is likely to face.

Visit [www.aboutchet.com](http://www.aboutchet.com) to enroll online and learn more about CHET features and benefits.

Encourage your relatives and friends to go online to open their own account for your child or loved one.

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# CHET offers a choice of eleven Investment Options.

## PLANNING FOR A COLLEGE EDUCATION SHOULDN'T KEEP YOU UP AT NIGHT.

Visit [www.aboutchet.com](http://www.aboutchet.com) for guidelines on when and how much to invest, and on choosing an investment option that's right for you. You'll also find information on:

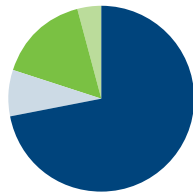
- CHET's direct-sold features and benefits
- Estimating your family's projected college savings needs
- Determining the projected future cost of college education

Your Investment Options offer various strategies and degrees of risk. Choose an option or combination of options that best fit your college savings needs and goals.

### OPTION 1: MODERATE MANAGED ALLOCATION OPTION (Risk level shifts from Aggressive to Conservative)

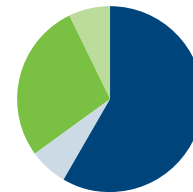
This Investment Option seeks to match up the investment objective and level of risk to the investment horizon by taking into account the beneficiary's current age and the number of years before the beneficiary turns 18 and is expected to enter college. Depending on the beneficiary's age, allocations to this option will be placed in one of six (6) Age Bands, each of which has a different investment objective and investment strategy. The Age Bands for younger beneficiaries seek a favorable long-term return by investing primarily in Mutual Funds that invest in equities or real estate securities, each of which has a high level of risk, but greater potential for returns than more conservative investments. As a beneficiary nears college age, the Age Bands allocate less to equities and real estate securities and invest more heavily in fixed-income and money market Mutual Funds to preserve capital.

BENEFICIARY'S AGE 0-3



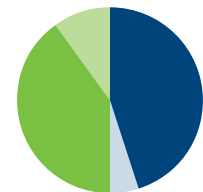
- 72.00% Equities
- 8.00% Real Estate
- 16.00% Bonds
- 4.00% Inflation-Linked Bonds

BENEFICIARY'S AGE 4-7



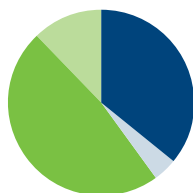
- 58.50% Equities
- 6.50% Real Estate
- 28.00% Bonds
- 7.00% Inflation-Linked Bonds

BENEFICIARY'S AGE 8-11



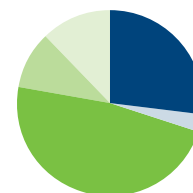
- 45.00% Equities
- 5.00% Real Estate
- 40.00% Bonds
- 10.00% Inflation-Linked Bonds

BENEFICIARY'S AGE 12-14



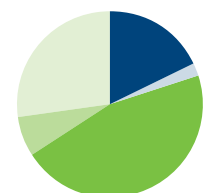
- 36.00% Equities
- 4.00% Real Estate
- 48.00% Bonds
- 12.00% Inflation-Linked Bonds

BENEFICIARY'S AGE 15-17



- 27.00% Equities
- 3.00% Real Estate
- 48.00% Bonds
- 10.00% Inflation-Linked Bonds
- 12.00% Money Market

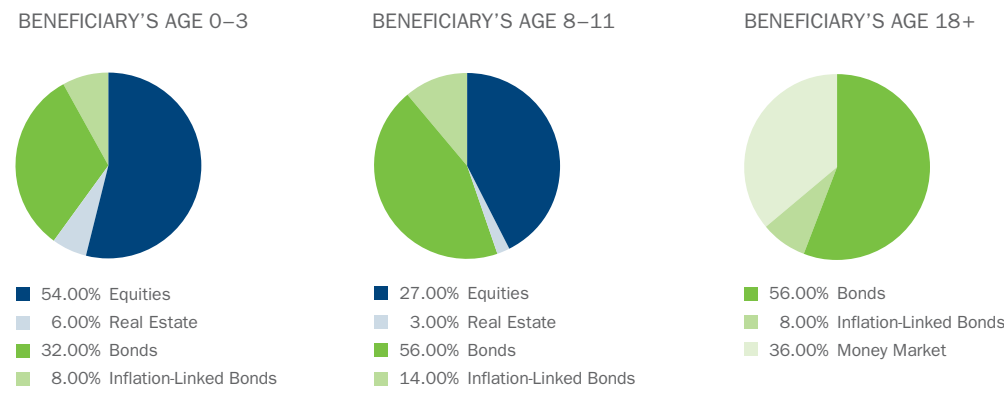
BENEFICIARY'S AGE 18+



- 18.00% Equities
- 2.00% Real Estate
- 46.00% Bonds
- 7.00% Inflation-Linked Bonds
- 27.00% Money Market

**OPTION 2: CONSERVATIVE MANAGED ALLOCATION OPTION**  
**(Risk level shifts from Aggressive to Conservative)**

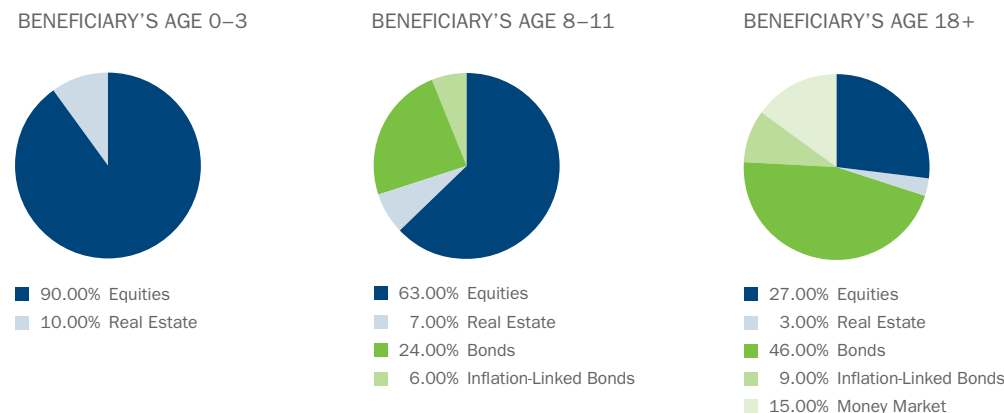
The Conservative Managed Allocation Option works the same way and invests in the same Mutual Funds as the Moderate Managed Allocation Option, described on the previous page. The Age Bands for younger beneficiaries seek a favorable long-term return by investing primarily in Mutual Funds that invest in equity or real estate-related securities, each of which has a higher level of risk, but greater potential for returns than more conservative investments. As a beneficiary nears college age, the Age Bands allocate less to Mutual Funds that invest in equity and real estate-related securities and allocate more heavily to Mutual Funds that invest in fixed-income and money market securities to preserve capital. However, the Age Bands in the Conservative Managed Allocation Option, even for younger beneficiaries, will be more heavily weighted toward Mutual Funds that invest in fixed-income and money market securities than the Age Bands under the Moderate Managed Allocation Option. *There are six (6) age bands for the Conservative Managed Allocation Option, however only three (3) are presented here as representative examples of how the allocations change as the beneficiary ages.*



Once you get started, automate your contributions with CHET direct-sold plan's Automatic Contribution Plan (ACP). Take the guesswork away by establishing convenient monthly, semi-monthly, or quarterly contributions of as little as \$25 from your checking or savings account.

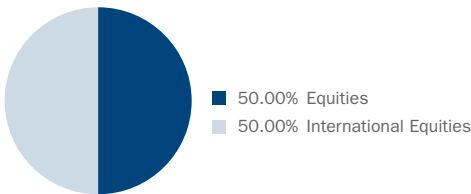
**OPTION 3: AGGRESSIVE MANAGED ALLOCATION OPTION**  
**(Risk level shifts from Aggressive to Conservative)**

The Aggressive Managed Allocation Option works the same way and invests in the same Mutual Funds as the Moderate Managed Allocation Option described on the previous page. The Age Bands for younger beneficiaries seek a favorable long-term return by investing primarily in Mutual Funds that invest in equities or real estate securities, each of which has a high level of risk, but greater potential for returns than more conservative investments. As a beneficiary nears college age, the Age Bands allocate less to equities and real estate securities and invest more heavily in fixed-income and money market Mutual Funds to preserve capital. However, the Age Bands in the Aggressive Managed Allocation Option, even for older beneficiaries, will always be more heavily weighted toward Mutual Funds that invest in equities and real estate securities than the Age Bands under the Moderate Managed Allocation Option. *There are six (6) age bands for the Aggressive Managed Allocation Option, however only three (3) are presented here as representative examples of how the allocations change as the beneficiary ages.*



# CHET offers a choice of eleven Investment Options.

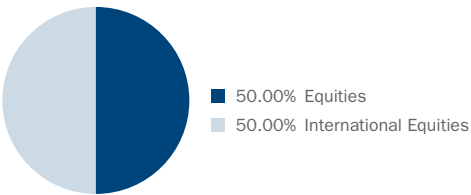
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## OPTION 4: EQUITY INDEX OPTION

(Risk level – Aggressive)

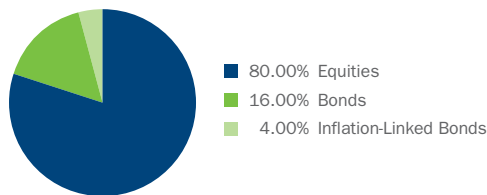
This Investment Option seeks to provide a favorable long-term total return, mainly from capital appreciation, by investing in equity index funds. Because of the high exposure to domestic and foreign equities, and the corresponding high degree of risk, this option may be appropriate for you if you have a long investment horizon and you can tolerate a higher level of risk.



## OPTION 5: ACTIVE EQUITY OPTION

(Risk level – Aggressive)

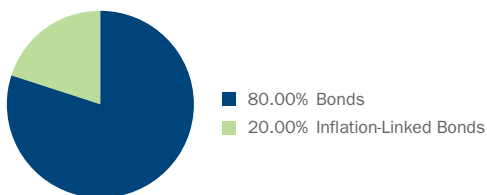
This Investment Option seeks to provide a favorable long-term total return by investing in actively- managed equity Mutual Funds. Because of the high exposure to domestic and foreign equities, and the corresponding high degree of risk, this Investment Option may be appropriate for you if you have a long investment horizon and you can tolerate a higher level of risk, or for use in conjunction with other Investment Options in the CHET direct-sold plan.



## OPTION 6: HIGH EQUITY OPTION

(Risk level – Aggressive)

This Investment Option seeks to provide a favorable long-term total return, mainly from capital appreciation, by investing in a combination of equity and fixed-income funds. Because of the high exposure to equities, it is subject to greater risk and volatility. This Investment Option may be appropriate for you if you have a long investment horizon and you can tolerate a higher level of risk.



## OPTION 7: ACTIVE FIXED-INCOME OPTION

(Risk level – Moderate)

This Investment Option seeks to provide preservation of capital along with a moderate rate of return through a diversified mix of active fixed-income Mutual Funds. This Investment Option may be appropriate for you if you have a medium to short investment horizon and can tolerate a moderate level of risk.

### **OPTION 8: INDEX FIXED-INCOME OPTION**

**(Risk level – Moderate)**

This Investment Option seeks to provide preservation of capital along with a moderate rate of return from interest income and capital appreciation. The Index Fixed-Income Option invests 100% of its assets in the TIAA-CREF Bond Index Fund, which employs a “passive management” — or indexing — strategy and seeks to match the total return of the Barclays Capital U.S. Aggregate Bond Index. This Investment Option may be appropriate for you if you have a medium to short investment horizon and can tolerate a moderate level of risk.

### **OPTION 9: SOCIAL CHOICE OPTION**

**(Risk level – Aggressive)**

This Investment Option seeks to provide a favorable long-term total return. The Social Choice Option invests in the TIAA-CREF Institutional Social Choice Equity Fund, which invests primarily in equity securities of companies that meet certain social criteria, such as product safety, corporate citizenship, human rights and environmental performance. Because of the high exposure to domestic and foreign equities, and the corresponding degree of risk, this option may be appropriate for you if you have a long investment horizon and you can tolerate a higher level of risk.

### **OPTION 10: MONEY MARKET OPTION**

**(Risk level – Conservative)**

This Investment Option seeks to provide high current income consistent with preserving capital and may be appropriate for you if you have a short investment horizon and are looking for a conservative investment with a low level of risk. This Investment Option invests in the TIAA-CREF Institutional Money Market Fund.

### **OPTION 11: PRINCIPAL PLUS INTEREST OPTION**

**(Risk level – Conservative)**

This Investment Option seeks to preserve capital and provide a stable return. It may be appropriate for you if you have a short investment horizon and are looking for a conservative investment with a low level of risk. The contributions invested in this Investment Option are allocated to a Funding Agreement issued by TIAA-CREF Life to the Trust, which is the policyholder under the agreement. The Funding Agreement provides for a return of principal plus a guaranteed rate of interest and allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life. The interest rate guarantee is made to the Trust only. The rate of any additional interest is declared in advance for a period of up to 12 months and is not guaranteed for any future periods.

Transfers from the Principal Plus Interest Option to the Money Market Option will not be permitted. If this restriction changes, you will be notified prior to the effective date of any such change.

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## **HOW MUCH WILL COLLEGE COST?**

When you go to [www.aboutchet.com](http://www.aboutchet.com), check out our College Savings Planner. The calculator projects college costs in your child’s or loved one’s time frame and calculates how much more you need to invest on a periodic basis to meet those costs. The Planner includes a college cost database with approximately 3,800 colleges. Be sure to use the College Savings Planner at least once a year to make sure your college savings goals are on track.

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# Let your money work for you.

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## MANAGE YOUR ACCOUNT AT WWW.ABOUTCHET.COM.

Go to [www.aboutchet.com](http://www.aboutchet.com) to view your account balance, transaction history, investment performance and update your personal information. You can also make online contributions, request withdrawals to automatically pay the amount due to a college or university, sign up for payroll deduction or the Automatic Contribution Plan.

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CHET's direct-sold 529 college savings plan's low costs can mean that more of your investment dollars go toward paying for education expenses, not account administration.

The program management fee for CHET's direct-sold 529 college savings plan is 20 basis points—one of the lowest cost plans in the nation. The total asset-based fee (program management fee plus cost of underlying funds) ranges from 34 basis points to 98 basis points depending upon the investment option. That's just \$3.40 to \$9.80 for every \$1,000 invested. The Principal Plus Interest Option does not have a program management fee. Additionally, there are:

- no maintenance fees
- no commissions
- no enrollment fees
- no withdrawal fees

There is also no annual limit on the amount you may contribute. However, there is an overall maximum account balance limit of \$300,000 that applies to all CHET accounts for a particular beneficiary. An account owner may contribute to a beneficiary's account if, at the time of the contribution, the total balance of all CHET accounts for that beneficiary does not exceed \$300,000. Accounts that have reached the maximum account balance limit may continue to accrue earnings.

Don't forget, you can open an account right now for as little as \$25 per investment option (\$15 if your employer offers payroll deduction). Contribute what you can, as often as you like, to meet your college savings objectives. Consider investing today!

### ONCE YOU GET STARTED, REVISIT YOUR INVESTMENT STRATEGY

Re-examine your CHET direct-sold account when:

- Your goals, time period for college investing and personal financial situation change.
- Long-term changes in the economy will affect how you save or invest.
- The balance in your account changes significantly due to varying performances of different Options over time.

Saving for college today with a CHET direct-sold 529 college savings plan is an investment in your child's or loved one's future. You can open an account right now for as little as \$25 per investment option (\$15 if your employer offers payroll deduction). Contribute what you can, as often as you like, to meet your college savings objectives. Consider investing today!

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You can get there. We can help.

## Dream Big!

### Check CHET Out!

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# Frequently Asked Questions

## **WHO CAN OPEN AN ACCOUNT?**

Any individual with a valid Social Security Number or federal Taxpayer Identification Number who is a U.S. citizen or resident alien can open an account and contribute to CHET on behalf of any beneficiary. The beneficiary must have a valid Social Security Number or federal Taxpayer Identification Number and be a U.S. citizen or resident alien.

## **HOW DO I CONTRIBUTE TO A CHET DIRECT-SOLD ACCOUNT?**

There is a low minimum contribution of \$25, and if your employer offers payroll deduction, you may contribute as little as \$15 per pay period. You can typically contribute via check, money order or electronic funds transfer. You may also automate your contributions with CHET's direct-sold plan's Automatic Contribution Plan (ACP). When you automate your contributions with ACP you can establish convenient monthly, semimonthly, or quarterly contributions of as little as \$25 from your checking or savings account.

## **CAN MORE THAN ONE PERSON CONTRIBUTE TO MY CHET DIRECT-SOLD ACCOUNT?**

Anyone can contribute to one account as long as the total contributions don't exceed \$300,000 per beneficiary. The account owner has sole control over the assets and decides when to withdraw them.

## **HOW MANY BENEFICIARIES CAN I HAVE FOR ONE ACCOUNT?**

Each account can have only one account owner and one beneficiary. However, each beneficiary may have more than one account, and you may open separate accounts for as many different beneficiaries as you wish.

## **HOW CAN I USE THE FUNDS IN MY CHET DIRECT-SOLD ACCOUNT?**

CHET is a qualified tuition savings plan, known as a 529 college savings plan. 529 college savings plans were designed to help families contribute funds for future college costs by offering special tax benefits to plan participants. Funds in a CHET direct-sold account may be used to pay for qualified higher education expenses.

## **WHAT ARE QUALIFIED HIGHER EDUCATION EXPENSES?**

Qualified higher education expenses include tuition, mandatory fees, books, supplies, and equipment required for the enrollment and attendance of the beneficiary at an eligible educational institution and, certain room and board expenses. Qualified Higher Education Expenses also include certain additional enrollment and attendant costs of a beneficiary who is a special needs beneficiary in connection with the beneficiary's enrollment or attendance at an eligible institution. For this purpose, eligible educational institutions generally are accredited postsecondary educational institutions offering credit toward a bachelor's degree, an associate degree, a graduate-level degree or professional degree, or another recognized postsecondary credential.

## **DO I HAVE TO USE THE FUNDS IN MY CHET DIRECT-SOLD ACCOUNT AT AN IN-STATE COLLEGE OR UNIVERSITY?**

No. The money in a CHET direct-sold account may be used at any eligible educational institution in the country. This includes public and private colleges and universities, graduate and post-graduate schools, community colleges, and certain proprietary and vocational schools. Contact your school to determine if it qualifies as an eligible educational institution.

## **CAN I USE THE MONEY AT SCHOOLS OUTSIDE THE U.S.?**

Yes, 529 Plan assets can be used at some accredited foreign schools. Contact your school to determine if it qualifies as an eligible educational institution.

## **WHAT IF MY CHILD OR LOVED ONE DECIDES NOT TO ATTEND COLLEGE?**

You have three choices:

- Keep the funds in the account, and the investments will be available in future years if the beneficiary changes her or his mind about school.
- Change beneficiaries, but the new beneficiary must be an eligible family member. See the enclosed Disclosure Booklet for details and consult your tax advisor about whether this may create a taxable gift.
- Make a nonqualified withdrawal. Earnings will be subject to federal income tax and any applicable state income tax, as well as an additional 10% federal tax (except in the event of a beneficiary's death, disability, scholarship or attendance at a military academy).

# Frequently Asked Questions

(continued)

## **WHAT IF MY CHILD OR LOVED ONE GETS A FULL OR PARTIAL SCHOLARSHIP?**

If the beneficiary receives a scholarship that covers the cost of qualified expenses, you can withdraw the funds from your account up to the amount of the scholarship without penalty or additional tax. The earnings portion of the amount withdrawn will be subject to the additional federal tax of 10% to the extent the amount withdrawn exceeds the amount of the scholarship. No Connecticut income tax is due on such a distribution.

## **WHAT HAPPENS IN THE EVENT OF DEATH OR DISABILITY OF THE BENEFICIARY?**

If the distribution is made due to the death or disability of the beneficiary, the earnings portion of such a withdrawal is subject to federal income tax but is not subject to a 10% additional federal tax. No Connecticut income tax is due on such a distribution.

## **WILL HAVING A CHET DIRECT-SOLD ACCOUNT HURT MY CHILD'S OR LOVED ONE'S CHANCES FOR FINANCIAL AID?**

CHET direct-sold accounts are treated as an asset of the account owner for federal financial aid purposes. If the parent is the account owner, which is typically the case, then on average about 5.6% of the value of the account is considered when determining the Expected Family Contributions (EFC) for the Free Application for Federal Student Aid (FAFSA) form. The EFC is the amount the family of the beneficiary is expected to pay toward that beneficiary's higher education. With many other savings vehicles, such as custodial accounts or assets that are in the name of the student, approximately 20% of the value of the assets is considered in determining the EFC. You should check with the schools you are considering regarding this issue. **Source: College Savings Plans Network, Frequently Asked Questions, [www.collegesavings.org/commonQuestions.aspx](http://www.collegesavings.org/commonQuestions.aspx)**

## **IS PAYING OFF A STUDENT LOAN A QUALIFIED HIGHER EDUCATION EXPENSE?**

No. Repayment of student loans is not considered a qualified higher education expense.

## **CAN I ROLL OVER FUNDS FROM ANOTHER 529 PLAN INTO CHET'S DIRECT-SOLD 529 PLAN**

You are permitted to transfer funds from another 529 college savings plan to a CHET direct-sold account for the same beneficiary once within a 12-month period without incurring federal income tax. The 529 college savings plan from which you are transferring funds may be subject to differences in features, costs and surrender charges. Consult your tax advisor or the other 529 college savings plan provider before requesting a rollover. State and local taxes may apply.

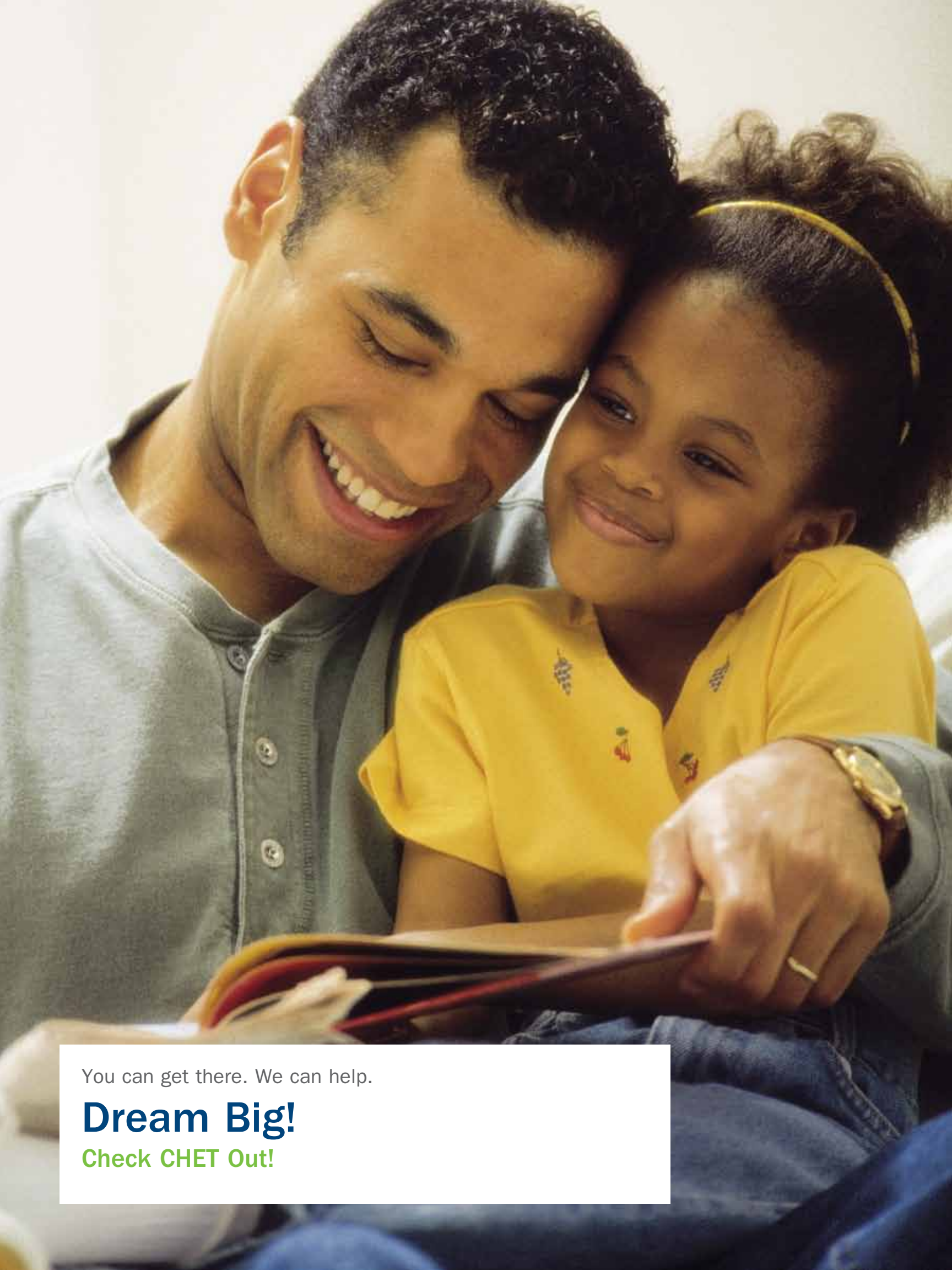
## **IF I MOVE OUT OF CONNECTICUT, WHAT WILL HAPPEN TO MY ACCOUNT?**

If you move to another state, you can still keep your money invested in your CHET direct-sold account. You can also continue contributing money to your account. Before investing in a 529 plan, you should consider whether the state you or your designated beneficiary reside in or have taxable income in has a 529 plan that offers favorable state income tax or other benefits that are only available if you invest in that state's 529 plan.

## **CAN I RECEIVE MY CHET DIRECT-SOLD ACCOUNT STATEMENTS AND DISCLOSURE INFORMATION ELECTRONICALLY?**

Yes. Once you become an account owner, you may elect to receive your CHET direct-sold account statements, disclosure and privacy policy materials electronically.

For a comprehensive listing of Frequently Asked Questions, please visit [www.aboutchet.com](http://www.aboutchet.com) and click on FAQ.



You can get there. We can help.

**Dream Big!**

Check CHET Out!

# How do I establish my college savings strategy with CHET?

The Connecticut Higher Education Trust (CHET) direct-sold 529 college savings program may be the financial foundation for building your child's or loved one's education future. How can you do it? Consider starting to invest now and invest regularly.



**We are here to help.  
Call 1-888-799-CHET (2438)**

Take comfort in the fact that when you call to learn more about CHET's direct-sold plan, you will speak with consultants who are college savings plan specialists. You may also want to develop your own college funding strategy using our online tools and resources found in the Parent Resources section of our Web site.

To learn more about 529s in Spanish, please call **(888) 802-4717** or visit **[www.aboutchet-espanol.com](http://www.aboutchet-espanol.com)**



**Visit [www.aboutchet.com](http://www.aboutchet.com)**

Visit **[www.aboutchet.com](http://www.aboutchet.com)** to learn more about:

- CHET's direct-sold college savings plan's features and benefits
- Estimating your family's projected college savings needs
- Determining the projected future cost of college tuition
- Opening a new account or contributing to an existing CHET direct-sold account as a gift



**HERE ARE TWO EASY WAYS TO OPEN A CHET DIRECT-SOLD ACCOUNT:**



**1. ONLINE: [WWW.ABOUTCHET.COM](http://WWW.ABOUTCHET.COM)**



**2. MAIL**

Complete and sign the enclosed application and mail it using the envelope provided.

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## COLLEGE SAVINGS RESOURCES

Connecticut Higher Education Trust (CHET) Direct-Sold Plan	<a href="http://www.aboutchet.com">www.aboutchet.com</a> 1-888-799-CHET (2438)
CHET Gift Giving	<a href="http://www.chetgifting.com">www.chetgifting.com</a>
College Board	<a href="http://www.collegeboard.org">www.collegeboard.org</a>
U.S. Department of Education	<a href="http://www.ed.gov/thinkcollege/early">www.ed.gov/thinkcollege/early</a>
TIAA-CREF	<a href="http://www.tiaa-cref.org">www.tiaa-cref.org</a>
Learn about 529s in Spanish	<a href="http://www.aboutchet-espanol.com">www.aboutchet-espanol.com</a>

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*Consider the investment objectives, risks, charges and expenses before investing in the Connecticut Higher Education Trust (CHET). Please visit [www.aboutchet.com](http://www.aboutchet.com) for a Disclosure Booklet containing this and other information. Read it carefully.*

*Before investing in a CHET 529 college savings plan, you should consider whether the state you or your designated beneficiary reside in or have taxable income in has a 529 plan that offers favorable state income tax or other benefits that are only available if you invest in the state's 529 plan.*

*The tax information contained herein about the CHET plan is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor. Non-qualified withdrawals may be subject to federal and state taxes and the additional federal 10% tax.*

The State of Connecticut, its agencies, TIAA-CREF Tuition Financing, Inc., Teachers Insurance and Annuity Association of America and its affiliates do not insure any account or guarantee its principal or investment return, except for TIAA-CREF Life Insurance Company's guarantee to the Connecticut Higher Education Trust under the Funding Agreement for the Principal Plus Interest Option. Account value in the Investment Options is not guaranteed and will fluctuate based upon a number of factors, including general market conditions.

The CHET direct-sold plan is managed by TIAA-CREF Tuition Financing, Inc. CHET is administered by the Connecticut State Treasurer's Office.

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