

September is College Savings Month in Connecticut
Treasurer Nappier Urges Families to Save with CHET;
Cites Governor's Official Proclamation

For Immediate Release
9-18-08

HARTFORD, Conn.— State Treasurer Denise L. Nappier is urging all Connecticut families to use September — College Savings Month in Connecticut — as the impetus for saving for their children's future college expenses through the Connecticut Higher Education Trust (CHET), the State's official 529 college savings plan.

Earlier this month, Governor M. Jodi Rell officially proclaimed September College Savings Month in Connecticut.

"I commend the Governor for her leadership role in bringing special public attention to the importance of saving for college and I encourage all Connecticut's families to consider opening a CHET savings account — or adding to an existing account," said Nappier, who serves as trustee for CHET. "A college education is an investment in a child's future, and all Connecticut children deserve that. I firmly believe that every family should have a sound financial plan, and a college savings account is a very important piece of that package."

Established in 1997, CHET has grown to more than \$1 billion in assets and now represents more than 80,000 individual accounts. It is the only 529 college savings plan that provides the opportunity for a Connecticut state income tax deduction for state income taxpayers. Connecticut taxpayers may deduct from their Connecticut adjusted gross income contributions made to one or more CHET Accounts during the tax year up to these annual contribution deduction limits: (1) \$5,000 for filers who are single, head of household, or married/civil union filing separately; and (2) \$10,000 for filers who are married/civil union filing jointly, or widow(er) with dependent child. These limits apply on an aggregate basis (not a per beneficiary basis) to all contributions made to all CHET Accounts during the tax year.

Nappier also stressed CHET's importance to Connecticut's economy. "It's no secret that a well educated workforce is critical to our state's economic health, and CHET provides a way to save for college to help ensure that our young people are well prepared to enter the labor market."

In addition to helping parents start saving early, CHET provides other caring adults — guardians, grandparents, relatives and even family friends — with a smart, tax advantaged way to help save for future higher education expenses on behalf of the children in their lives. Anyone with a Social Security number or tax ID can open a CHET account for as little as \$25 per investment option, regardless of income or state of residence. Account owners can make periodic or regular contributions of \$25 or more per investment option. Employers can even allow their employees to make these contributions through payroll deduction for as little as \$15 per investment option. Investors should consult with their financial advisers regarding the tax consequences of investing in CHET if they are not Connecticut taxpayers.

Nappier points out that it is critical for families to begin saving early so that their account has time to grow, adding it is especially crucial given the constantly rising cost of higher education. According to a 2007 national survey by The College Board, *Trends in College Pricing 2007*, a private four-year college costs \$32,307 per year and a public four-year college costs \$13,589 per year. Both are up 5.6 percent over the past ten years. A CHET account can be used toward tuition and other qualified college expenses such as eligible room and board, books and fees at higher education institutions in Connecticut and nationwide.

In 2006, the Connecticut General Assembly, under the leadership of the chairs of the committee on Finance, Revenue and Bonding – Sen. Eileen Daily of Westbrook and Rep. Cameron Staples of New Haven -- approved Nappier's proposal to establish a state income tax deduction of \$5,000 for individual filers and \$10,000 for joint filers. This tax deduction was a significant boon to Connecticut families - especially middle-class families - striving to achieve a solid future for their children.

CHET is administered by the Connecticut State Treasury and TIAA-CREF Tuition Financing, Inc. (TFI), serves as Program Manager. TFI is part of TIAA-CREF, a financial services organization with 90 years of investment experience. With approximately \$420 billion in combined assets under management as of June 30, 2008, TIAA-CREF is best known as the leading provider of retirement services in the academic, research, medical and cultural fields.

The program Web site, www.aboutchet.com, provides complete information, online enrollment and other online services. Applications and information about how to sign up for automatic payroll deduction can also be obtained through a customer service center at 1-888-799-2438.

CHET is hosting events in recognition of College Savings Month throughout the months of September and October. Anyone interested in having a CHET representative speak at their school, library, or community event should call 1-888-799-2438.

Media Contacts:

Christine Palm
Communications
Office of the State Treasurer
55 Elm St.
Hartford, CT 06106
(860) 702-3013

The tax information contained on the Connecticut Higher Education Trust (the Plan) press release is not intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding tax penalties that may be imposed on the taxpayer. It was written to support the promotion of the products and services of the Plan. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

The Plan is administered by the Connecticut State Treasury. TIAA-CREF Tuition Financing, Inc. (TFI) serves as Program Manager. TFI's affiliate, TIAA-CREF Individual & Institutional Services, LLC, member FINRA, is the distributor.

Consider the investment objectives, risks, charges and expenses before investing in the Plan. Please call toll-free 1-888-799-2438 for a Disclosure Booklet containing this information. Read it carefully.

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 the state's 529 plan.

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 Trust under the Funding Agreement for the Principal Plus Interest Option. Account value will fluctuate based upon a number of factors, including general market conditions.

© 2008 TIAA-CREF Tuition Financing, Inc.

C42596

###