

TIAA-CREF PRESS RELEASE

For Immediate Release
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TIAA-CREF Applauds Creation of CHET Tax Deduction *New Tax Deduction Encourages Connecticut Families to Save for College*

STAMFORD, CT (May 11, 2006) TIAA-CREF, the financial services organization and leading provider of retirement plans in the academic, medical and cultural fields, congratulated Governor Jodi Rell and members of the Connecticut General Assembly today for creating a state income tax deduction for contributions to the Connecticut Higher Education Trust program (CHET), Connecticut's 529 College Savings Program. The legislation was proposed by State Treasurer Denise L. Nappier at a February 6, 2006 press conference.

"We are excited to see State Treasurer Denise Nappier's vision come to fruition," said Phillip Rollock, Vice President, TIAA-CREF Tuition Financing, Inc. "This is a definite win for Connecticut families who are looking for ways to save for higher education."

"The majority of states with a state income tax already offer a tax benefit for contributions to their higher education savings programs. Connecticut residents will now have a significant new incentive for investing in their children's and grandchildren's future," said Pierre Dejean, TIAA-CREF Tuition Financing Inc. Program Director for CHET.

Governor Rell signed H.B. 5845 this week. The legislation, which contains the tax deduction, applies to contributions of up to \$10,000 for joint filers and \$5,000 for single filers made on or after January 1, 2006.

A 529 College Savings Program is a state-sponsored, tax-advantaged savings plan that can help families and individuals save for higher education. These plans offer a number of benefits including tax deferral on earnings, federal tax-free withdrawals for qualified expenses, professional money management and the flexibility to use the proceeds at virtually any higher education institution. The law allowing federal tax-free withdrawals is set to expire on December 31, 2010. Congress may or may not extend this law beyond that date. In addition, many states offer state tax benefits for contributions to their plans, as well as state income tax exemptions for qualified withdrawals.

Consider the investment objectives, risks, charges and expenses before investing in the Connecticut Higher Education Trust. Please visit <http://www.aboutchet.com/> 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 that state's 529 plan.

TIAA-CREF Individual & Institutional Services, LLC, member NASD, SIPC, distributes securities products.

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

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Connecticut Higher Education 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.

The tax information herein is not intended to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties. It was written to support the promotion of Connecticut Higher Education Trust. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

About TIAA-CREF

TIAA-CREF is a national financial services organization with more than \$380 billion in combined assets under management (3/31/06) and the leading provider of retirement services in the academic, research, medical and cultural fields. Further information can be found at www.tiaa-cref.org.

TIAA-CREF Tuition Financing, Inc. is the program manager for CHET and 10 other state-sponsored 529 plans distributed by TIAA-CREF Individual & Institutional Services, LLC.

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