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FOR IMMEDIATE RELEASE

House Legislation Enhances 529 College Savings Plans *Will Aid Low and Moderate Income Savers*

WASHINGTON, D.C. (March 10, 2009) – The College Savings Plans Network (CSPN), an affiliate of the National Association of State Treasurers (NAST), announced today that Congressmen Earl Pomeroy, (D-ND) and Pat Tiberi, (R-OH) introduced legislation in the House that would include 529 plan contributions in the SAVERs credit, and make permanent the inclusion of computers as a qualified expense and the twice annual investment direction change.

“Families see college as an important investment in a better future for their children. With college costs rising at annual rates well above inflation, it is more important than ever to help families save for their children’s post-secondary education,” Congressman Pomeroy said. “A 529 account is a powerful tool for coping with the rising cost of college, and the improvements made in this bill will help put a college education within reach for more families.”

“With the improvements made in this bill to 529 College Savings Plans, families will be better able to tailor their college savings plan to fit their needs. Whether it’s having the ability to adjust the amount of money they put away for college or to purchase a computer with 529 savings, participants will have added flexibility when they save for college,” said Congressman Tiberi. “As the first in my family to graduate from college, I know a higher education is invaluable, and these reforms make it easier for families to help future students make that dream a reality.”

The Pomeroy/Tiberi bill makes three important improvements to 529 College Savings Plans:

* Encourages low- and moderate-income families to save for college: This bill would extend the existing SAVERs Credit (which currently applies to only retirement contributions) to contributions made to 529 accounts. This significant change will help encourage more families of moderate and lower income levels to save for their children’s college expenses in 529 accounts. The current SAVERs Credit provides a tax credit of

up to \$1,000 for an individual filer and \$2,000 for those filing jointly. The eligibility for this credit is limited to those with incomes at or below \$27,750 for an individual and \$55,500 for joint filers for 2009.

* Allows for the purchase of computers: Understanding that a computer is an essential tool for today's college students, the bill would make permanent the temporary change that allows 529 funds to pay for computers and related equipment. A two-year version of this provision was included in the recently signed American Recovery and Reinvestment Act of 2009.

* Provides greater flexibility to manage investments: Generally, 529 account owners may only adjust their investment allocation once a year, regardless of changes in market conditions or the economy over the course of a year. In light of current economic conditions, the Treasury Department has temporarily allowed two changes per year for 2009. This bill would give families more flexibility to respond to market conditions by making permanent the opportunity to change the investment direction of their 529 plans twice a year.

“Congressmen Pomeroy and Tiberi are to be commended for their continued support of American families as they strive to save for the future costs of higher education. Representative Pomeroy sponsored legislation in 2006 that made the tax exemption for 529 plans permanent,” said Jackie Williams, executive director of the Ohio Tuition Trust Authority, and Immediate Past Chair and spokesperson for CSPN. “This new legislation will provide an invaluable college savings incentive for low income families which is a policy priority for states that administer the plans. We are delighted with the leadership that Congressmen Pomeroy and Tiberi have exhibited and look forward to an ongoing partnership with them and their colleagues in Congress as we strive to improve Section 529 plans to help all American families save and use these plans for their children's higher education expenses.”

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SOURCE: College Savings Plans Network (CSPN)

Founded in 1991, the College Savings Plans Network (CSPN) is an affiliate of the National Association of State Treasurers (NAST). CSPN is a non-profit association representing states who administer Section 529 college savings and prepaid plans. One of the Network's primary purposes is to educate families about the importance of saving for college and the benefits of Section 529 plans. Additionally, CSPN monitors federal activities and promotes legislative and regulatory changes to enhance Section 529 plans.

*To learn more about CSPN and 529 college savings plans across the country, visit **CollegeSavings.org**.*