



College Savings Advocates Applaud the Bipartisan "Helping Parents Save for College Act"

S. 4103 Brings Opportunities for Families Investing in Education

(May 4, 2022, Washington, DC) – Both the College Savings Plans Network and the College Savings Foundation commends Sen. Hassan and Sen. Collins for introducing the [Helping Parents Save for College Act](#) last week. This bipartisan legislation would provide more opportunities to families saving for higher education and thus encourage more to save in 529 accounts.

Leadership of the two organizations had this to say about the bill:

“With more than 15 million accounts open, 529 college savings plans are a powerful tool for helping American families save for the rising cost of post-secondary education including traditional 4-year college degree, technical and career training, or an apprenticeship. We applaud Senators Hassan (NH) and Collins (ME) for introducing legislation that would make low and moderate income families eligible for the Savers Tax Credit by contributing to their 529 account,” said **Rachel Biar, Chair of the College Savings Plans Network (CSPN) and Assistant State Treasurer of Nebraska**. “This legislation also creates an opportunity, in limited circumstances, to rollover some 529 account funds to a Roth IRA and enhance retirement savings for either an account owner or the student. We look forward to working with both Senators to pass these important measures.”

"The College Savings Foundation applauds Senators Hassan (NH) and Collins (ME). This legislation would provide American families with even greater flexibility in utilizing 529 education savings plans to prepare for future education expenses. Making 529 contributions eligible for the Saver's Credit will be particularly helpful to the many millions of Americans with moderate and lower income, allowing them to save for their children's future higher education costs or other expenses such as career and technical or apprenticeship programs. Allowing limited transfers to Roth IRAs for low- and middle-income Americans who end up not needing all their 529 savings for education expenses will encourage more 529 savings and ultimately give future generations a boost in retirement savings," said **Vivian Tsai, Chair, College Savings Foundation (CSF)**.

As of [December 31, 2021](#), approximately 15.7 million 529 savings accounts had been opened, a year-over-year increase of 5 percent. Average account size grew 6 percent in the last year to reach \$30,652. This is the first time the average account size has

surpassed \$30,000. Account owners continue to see the benefit of automatic contributions to a 529 plan with 38% of users taking advantage of this saving tool. A one page review of the bill can be found [here](#) while the entire text is available [here](#). For press questions, please contact Catherine Seat, Communications Director for the National Association of State Treasurers by emailing catherine@statetreasurers.org.

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About College Savings Plans Network (CSPN)

Founded in 1991, the College Savings Plans Network (CSPN) is a leading objective source of information about Section 529 college savings plans and prepaid tuition plans—popular, convenient, and tax-advantaged ways to save for college. An affiliate of the National Association of State Treasurers (NAST), CSPN brings together state officials who administer 529 savings and prepaid plans from across the country, as well as their private-sector partners, to offer convenient tools and objective, unbiased information to help families make informed decisions about saving for higher education. For more information, visit the CSPN website at CollegeSavings.org and follow CSPN on Twitter, Facebook, and Instagram.

About College Savings Foundation

College Savings Foundation (CSF) is a Washington, D.C.-based not-for-profit organization with the mission of helping American families achieve their education savings goals by working with public policy makers, media representatives and financial services industry executives in support of education savings programs. CSF serves the education savings industry as a central repository of information and an expert resource for its members and for representatives of state and federal government, institutions of higher education, and other related organizations and associations. For more information, visit the CSF website at collegesavingsfoundation.org and follow us on Twitter, Facebook, and Instagram.

About 529 College Savings Accounts

A 529 plan is a tax-advantaged investment plan designed to help families save for a beneficiary's (typically one's child or grandchild) future higher education expenses and in some states; K-12 and certain technical and career college programs. While commonly referred to as 529 plans, they are formally known as "Qualified Tuition Programs," as defined in Section 529 of the Internal Revenue Code, and are administered by state agencies.

Savings in a 529 plan grow free from federal income tax, and withdrawals remain tax-free when used for qualified education expenses. Additionally, many states mirror the federal 529 plan tax advantages by offering state tax-deferred growth and tax-free withdrawals for qualified education expenses. 529 plans are offered in 49 states and the District of Columbia. Check with your home state to see if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 plan.