

For Immediate Release

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Path2College 529 Plan provides vehicle to “stimulate” higher education savings goals

May 6, 2008, Atlanta – As high school seniors across the country prepare to graduate in a few weeks and head to college in the fall, parents and grandparents of younger children may use this break from busy school schedules to review their higher education savings goals.

“Summer provides families with a much-needed break from the day-to-day school routines,” said Chuck Penuel, director of the Path2College 529 Plan. “This time of year also provides an excellent time for parents and grandparents to discuss their college savings goals and take the necessary steps to reach them. The Path2College 529 Plan offers easy investment methods – including an automatic contribution option – with no sign-up or maintenance fees.”

Any funds in a Path2College 529 Plan account can be used for tuition and other qualified college expenses and fees at virtually all colleges in Georgia *and* nationwide.

The Path2College 529 Plan website, www.path2college529.com, includes forms to open an account and electronic banking forms to establish automatic contributions. The Path2College 529 Plan website also links to the National Center for Education Statistics website which provides current tuition and expense data (room and board, books and supplies, and other expenses) for nearly 7,000 colleges and universities in the United States.

The Path2College 529 Plan and TFI Tuition Financing, Inc., program manager for the Plan offers the following advice for establishing and evaluating your current college savings plans:

- **Evaluate how much you need to save.** Setting up a plan and evaluating how much you need to save is the first step to putting your plan into action. If you’re not sure how much you need to save, visit www.path2college529.com to use the college savings calculator.
- **Set up regular contributions to your Path2College 529 Plan.** You can open an account with as little as \$25 and arrange for automatic contributions to be drawn from your bank account. You also may check to see if your employer allows for payroll deduction.

- **Look for opportunities to increase contributions.** If you already have an account, consider using extra funds, such as your economic stimulus check or annual raise, to increase your contribution to an existing Path2College 529 Plan.
- **Educate family and friends about the plan.** A contribution to a 529 account is a terrific birthday or holiday present, so mention it to your friends and family when they're looking for gift suggestions for your children. The Path2College 529 Plan website, www.path2college529.com, has gift certificates that gift-givers can print, fill out with the child's name and gift amount, and present to the child. Thanks to state legislation passed in 2007, *all* Georgia taxpayers contributing to the Path2College 529 Plan now are eligible for the Georgia income tax deduction. Previously, only a Georgia taxpayer who claimed the beneficiary as a dependent and who met certain income limitations could take advantage of the state tax deduction. Georgia law now allows grandparents and other family members to take up to a \$2,000 state tax deduction on behalf of any beneficiary for Georgia income tax purposes. A Georgia taxpayer is not required to itemize his or her deductions to make this adjustment to income. The Georgia Department of Revenue does not treat a transfer of funds from another qualified tuition program (rollover distribution) as a contribution eligible for the Georgia income tax deduction. In Georgia state tax materials, the Path2College 529 Plan is referred to as the Georgia Higher Education Savings Plan (GHESP).

"The Georgia tax deduction means everyone should consider making at least a \$2,000 contribution to a child or grandchild's account," said Lee Van Leuvan, an Atlanta-based certified financial planner and president of LVL Financial, Inc.

Finally, parents should consider involving their children in the process of planning, investing, and saving for college.

"By modeling savvy financial habits to your children, you set them up for a lifetime of smart money decisions," said Nathan Dungan, the founder and president of Share Save Spend®, an organization that helps youth and adults develop a healthy relationship with their money and values.

Launched in April 2002 as the Georgia Higher Education Savings Plan, Georgia's 529 Plan reached an important milestone in spring 2007 when assets surpassed the \$500 million mark. Currently the plan has almost \$640 million in assets and more than 93,000 individual accounts as of May 2, 2008. For more information on the *Path2College 529 Plan*, visit: www.path2college529.com or call 1-877-424-4377. Chuck Penuel may be reached at (404) 463-0000 or by e-mail at chuckpenuel@otfs.ga.gov.

Consider the investment objectives, risks, charges and expenses before investing in the Path2College 529 Plan. Please visit www.path2college529.com for a Disclosure Booklet containing this and other information. Read it carefully.

Before investing in a 529 plan, you should consider whether the state you or your 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.

We are required to notify you that the tax information contained 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 the Path2College 529 Plan. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

The State of Georgia, 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 Board of Directors of the Path2College 529 Plan under the Funding Agreement for the Guaranteed Option. Account value will fluctuate based upon a number of factors, including general market conditions.

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