



For Immediate Release
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NAST and CSPN Applaud Congress for Improving Section 529 College Savings Plans

Congress has made permanent the federal tax exemption for Section 529 plans as part of the recently approved Pension Protection Act (H.R.4). This means that for people who will withdraw money from the plans to pay for their children's college education on or after January 1, 2011, the distributions from the plans will be tax exempt.

"The provision in the Pension Protection Act making the tax exempt treatment of 529 plans permanent is great news for families currently saving in a 529 plan and for those families who are considering whether or not to participate in these plans. This eliminates a major source of confusion for families saving for college. I know this will encourage more families to save for college using Section 529 plans which are the best savings vehicles for college," said Jackie Williams, CSPN Chair and Executive Director of the Ohio Tuition Trust Authority.

"This is an important day for families across the country. I applaud Congress for making permanent the tax benefits of the college savings plans used by more than nine million U.S. families. Congressional approval of the Pension Protection Act will encourage millions more to begin saving now that the tax benefits are clearly defined. This sends a clear message that those who save for college will be rewarded," said Randall Edwards, NAST President and Oregon State Treasurer.

The National Association of State Treasurers (NAST) and the College Savings Plans Network (CSPN) have been working for the past decade to clarify the federal tax treatment of these plans. "We have been talking with Congress and the Administration for more than fifteen years about the need to provide families with the certainty that the tax advantages of 529 plans will be there when they send their children to college," said Edwards.

All 50 states and the District of Columbia have a Section 529 plan in operation. More than 9 million children across the country have been enrolled in a plan, representing more than \$90 billion. The mission of the states in the development and implementation of these plans is to increase access to higher education by offering families a simple, safe, affordable and dedicated way to save for college tuition and other college expenses. For information about NAST go to www.nast.org. For information about Section 529 plans or CSPN go to www.collegesavings.org.