



The Office Of  
State Treasurer  
Denise L. Nappier

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News

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**CONNECTICUT'S COLLEGE SAVINGS PLAN  
SURPASSES \$2 BILLION IN ASSETS**

*More than 22,000 students use CHET savings for college expenses*

HARTFORD, CT -- Connecticut State Treasurer Denise L. Nappier today announced that the Connecticut Higher Education Trust (CHET), Connecticut's 529 College Savings Plan, has surpassed \$2 billion in assets and continues to be highly ranked nationally.

"This milestone is a testament to the attractiveness of CHET as a valuable savings vehicle for higher education expenses," said Treasurer Nappier, Trustee for CHET. "CHET is important not only to Connecticut families who need to save for the rising cost of college, but also to the viability of our state's economy, with an educated workforce a key factor."

She added: "Attending college is essential today, and saving early is crucial given that college costs have increased more over the past decade than they have over the prior 20 years."

According to the College Board's 2012 Annual Survey of College Costs, the cost of college has increased by 42 percent over the past 10 years at public colleges and over 31% at private nonprofit universities. Yet less than 3 percent of American families have a 529 account or other college savings plan.

Since CHET was established in 1997, nearly \$665 million in qualified withdrawals have been made. These withdrawals have funded the college expenses of roughly 22,300 beneficiaries attending nearly every public and private college in Connecticut -- including Yale University, UCONN, the state university system, and community colleges -- and several out-of-state schools.

"It is gratifying to know that more students than ever have been using funds from CHET accounts to attend college. The more than half a billion dollars in withdrawals is proof that the plan is being used as it was designed. Connecticut families should be praised for their forward thinking," said Treasurer Nappier.

As part of Treasurer Nappier's ongoing mission to help Connecticut families save for college, she has made CHET a priority in her office. The trust has two plans: CHET Direct, marketed directly to individuals; and CHET Advisor, available through financial advisors.

Connecticut residents are allowed to deduct 529 contributions from their state income taxes up to \$5,000 for an individual or up to \$10,000 for a married couple filing jointly. As with all 529 plans, investment earnings are exempt from state and federal taxes if used for qualified educational expenses.

## **CHET DIRECT -- HIGHLY RANKED NATIONALLY, ASSETS AT \$2 BILLION**

Under the Nappier administration, CHET Direct has grown from 4,000 accounts with \$18.5 million in assets in 1999, to more than 87,000 accounts with \$2 billion in assets. The growth in assets is attributable to an increase in the number of accounts and continuing contributions to those accounts, as well as investment gains. Approximately \$1.34 billion has been contributed to CHET Direct since inception, and \$660 million has been gained by market value appreciation.

CHET Direct, which is managed by TIAA-CREF Tuition Financing, Inc., offers some of the lowest fees in the country for a college savings account, and its Plan Management fees will be reduced from 0.18 percent to 0.15 percent once the program consistently stays above the \$2 billion asset threshold.

In 2012, Morningstar ranked sixty-four 529 plans across the country. CHET Direct was among 19 bronze medalists. Only eight plans ranked higher.

In April 2013, CHET Direct launched an E-gifting option, which makes contributing to college savings accounts easier. An account owner can e-mail a link to family and friends, who can then make a gift contribution directly to a CHET account. Transactions can be completed securely online without account or social security numbers.

## **CHET ADVISOR -- FASTEST GROWING 529 PLAN IN THE COUNTRY**

CHET Advisor is the State's advisor-sold 529 plan managed by The Hartford Financial Services Group. CHET Advisor, since its establishment in October 2010, has generated more than \$164 million in assets and 11,000 accounts as of April 30<sup>th</sup>. Already, 385 beneficiaries have withdrawn close to \$6 million for college expenses.

According to Financial Research Corp., CHET Advisor was the fastest growing advisor-sold 529 plan in the country based on data for the first quarter of 2013.

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*Consider the investment objectives, risks, charges and expenses carefully before investing in the Connecticut Higher Education Trust (CHET) 529 College Savings Plan. Please visit [www.aboutchet.com](http://www.aboutchet.com) for a Disclosure Booklet. Read it carefully.*

*\*The tax information contained herein was neither written nor intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding federal or state taxes or tax penalties. Taxpayers should seek tax advice from an independent tax advisor based on their own particular circumstances. Non-qualified withdrawals may be subject to federal and state taxes and the additional federal 10% tax.*