



**OFFICE OF  
STATE TREASURER  
DENISE L. NAPPIER**

---

# NEWS

**FOR IMMEDIATE RELEASE**

Wednesday, November 10, 2004

## **Connecticut's College Savings Program Surpasses \$500 Million in Assets for First Time in its History; Nearly 43,000 CHET Accounts Now Open**

### ***Treasurer Nappier Says Low Fees Continue to be Program Strength***

Connecticut Treasurer Denise L. Nappier said today that Connecticut's 529 college savings program, CHET, surpassed \$500 million in assets for the first time in the program's seven-year history. The Connecticut Higher Education Trust (CHET) ended October with 42,881 accounts, also an all-time high.

"One of the distinctions of CHET is the low fees, as well as the significant tax advantages and the range of investment options to accommodate different risk tolerances," Nappier said. "Especially with increasing public and regulatory scrutiny into the fees charged by the various college savings programs offered by states around the country, CHET stands up as a leader."

CHET has no sales charges, and no charges to open an account – a key difference with many other state college savings programs. When used for qualified higher education expenses at colleges throughout the U.S. and abroad, earnings on CHET accounts are exempt from both Connecticut income taxes and federal income taxes.

"We specifically designed the CHET program to have among the lowest fees in the nation among college savings programs, and that's been true since my administration made significant changes in CHET back in 2000," Nappier said. "Fees were lowered then, and lowered again two years later."

### **CHET REACHES MILESTONE: ONE-HALF BILLION DOLLARS IN ASSETS**

Nappier noted that 414 new CHET accounts were opened in October, and a total of 4,715 have been opened from the beginning of this year through October 31. Average account size is \$11,677, compared with \$10,461 at the end of 2003 and \$8,238 at the end of 2002. Total assets in the program were \$405.5 at the end of 2003 and \$257.3 million a year earlier.

CHET has seen a significant increase in new accounts since the program was re-launched by Treasurer Nappier in March, 2000 after changes to make CHET more affordable and accessible to Connecticut families. At the time, the program had \$18 million in assets and 4,000 accounts. CHET is managed for the State Treasurer's Office by TIAA-CREF, Tuition Financing, Inc., a leading provider of college savings plans.

More...

CONTACT: **BERNARD L. KAVALER**  
**DIRECTOR OF COMMUNICATION**  
(860) 702-3277 FAX (860) 702-3043  
[BERNARD.KAVALER@PO.STATE.CT.US](mailto:BERNARD.KAVALER@PO.STATE.CT.US)

---

“An exciting component of CHET is that parents, relatives and friends can all open accounts and there is no limit on the number of accounts that can be opened for a child,” said Nappier. “We will continue to do everything we can to keep CHET as one of the top programs in the country, because the ultimate beneficiaries are Connecticut’s children.”

## **CHET HAS HISTORY OF LOW FEES**

Connecticut’s 529 program has been nationally recognized, and offers among the lowest fees in the nation for such programs. The asset-based management fee currently ranges from .69 to .71 percent (or approximately \$7 per \$1,000 investment). In 2002, the fee charged CHET account owners was reduced by about 10%, to the current levels, which are the lowest in the programs history and remain among the lowest in the country. The fee charge had been previously lowered to .79 percent in March 2000, when the Nappier administration instituted a series of changes to the program, including the elimination of a \$25 annual fee.

“Consumers are well-advised to compare college savings programs, and contrast those that are offered by brokers, financial advisors or sales networks. As we’ve seen in recent news reports and Congressional inquiries, some fees can be quite exorbitant, and consumers aren’t always aware of how much of their money is used to pay fees, rather than being saved for college,” Nappier said.

CHET offers significant tax advantages to encourage individuals to save money for higher education expenses with a wide range of investment options. Funds may be used to pay for qualified higher education expenses (tuition, books, room and board, and equipment required for college enrollment) at any eligible institution in the United States and even some overseas.

“With tuition and fees growing annually at double-digit rates at many colleges in Connecticut and throughout the country, it is critically important that families start early to save for their children’s higher education,” Nappier said. “Our goal in the CHET program is to offer Connecticut families a premier investment program for higher education.”

More than 400 Connecticut businesses offer payroll deduction for CHET contributions by their employees. Contributions to CHET accounts can also be made directly from checking or savings accounts.

Just over one-half of CHET accounts established during the past year have been opened on-line, and program materials can be easily downloaded. Additional information on the Connecticut Higher Education Trust program is available by calling 1-800-799-CHET (2438) or accessing the CHET website at [www.aboutchet.com](http://www.aboutchet.com).