



OFFICE OF
STATE TREASURER
DENISE L. NAPIER

NEWS

FOR IMMEDIATE RELEASE

Monday, December 11, 2006

Treasurer Nappier Urges Connecticut Residents to Give that Special Child on Your List a Gift Toward a Brighter Future

December 31 is the Deadline to Receive a 2006 Connecticut State Tax Deduction for Contributions to CHET

With the approach of the holiday gift-giving season and only a few weeks remaining for individuals to qualify for a new state income tax deduction, State Treasurer Denise L. Nappier today called on Connecticut residents to consider opening a CHET college savings account for a child they care about.

Based on the new law, proposed by Treasurer Nappier and approved by the state legislature in 2006, Connecticut taxpayers who contribute to a CHET account before December 31, 2006, can take a 2006 state income tax deduction of up to \$5,000 per taxpayer or \$10,000 for taxpayers filing jointly.



CHET is a state-sponsored, tax-advantaged 529 college savings program administered for the Connecticut State Treasurer's Office by TIAA-CREF Tuition Financing, Inc., a member of the national financial services organization TIAA-CREF.

"This holiday season in particular provides an excellent opportunity for Connecticut families to prepare for future college costs," said Treasurer Nappier. "By opening a CHET account, you can give a special child a gift toward a brighter future...and qualify for a welcome break on taxes, thanks to our new income tax deduction."

The state tax deduction is one in a series of improvements made to CHET during 2006. Other enhancements include: reduced program fees, already among the lowest in the nation; two new investment options, bringing the total to five investment choices to accommodate varying risk tolerances; and, due to a provision approved by Congress this year, the CHET program now boasts federal tax-free permanency on account earnings.

A CHET account can be used toward tuition and other qualified college expenses such as books, fees, and room and board at eligible higher education institutions nationwide. CHET currently has more than \$785 million in assets in nearly 55,000 accounts.

According to 2006 College Board figures, the national average tuition for undergraduates attending four-year public universities jumped 6.3 percent this year, pushing the average price of attendance, including room, board and fees, up \$344 to \$12,796. Meanwhile, the national

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average tuition at four-year private colleges rose 5.9 percent, raising the total cost of attendance by \$1,238 to \$30,367.

"As the cost of higher education continues to climb, it is increasingly important for Connecticut families to begin saving today by opening a CHET account," said Pam McNulty of TIAA-CREF, Program Director for the program. "By starting to save for college early, families can take advantage of the compounding effect of time on their investment, while at the same time receiving a yearly Connecticut state income tax benefit."

The CHET program website -- www.aboutchet.com -- provides comprehensive account and program information and includes online enrollment and other online services. Information and applications can also be obtained by calling 1-888-799-CHET (2438).

Consider the investment objectives, risks, charges and expenses before investing in the Connecticut Higher Education Trust. Please visit <http://www.aboutchet.com/> for a Disclosure Booklet containing this information. Read it carefully.

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

TIAA-CREF Individual & Institutional Services, LLC, member NASD, SIPC, distributes securities products.

The State of Connecticut, 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 Connecticut Higher Education Trust under the funding agreement for the Principal Plus Interest Option. Account value will fluctuate based upon a number of factors, including general market conditions.

The tax information 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 Connecticut Higher Education Trust. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

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