



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

NEWS

FOR IMMEDIATE RELEASE

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State Treasurer Nappier Reminds Parents to Enroll in and Make Contributions to CHET Before Dec. 31 to Receive Sizeable Income Tax Benefits

Connecticut's college savings plan rounds out the year by reaching \$1 billion milestone and offering three new investment options

(Hartford)- Connecticut State Treasurer Denise L. Nappier today announced that parents can take advantage of significant income tax benefits by enrolling their children in the recently enhanced Connecticut Higher Education Trust (CHET)—the state's 529 college savings program—by December 31, 2007. A tax deduction, enabled by legislation championed by the Nappier administration, allows single Connecticut taxpayers to claim up to \$5,000 on their state income tax for contributions made to CHET per calendar year. Joint tax filers may claim up to \$10,000.

"Now is the time for parents and grandparents, aunts and uncles and other friends and family members to open a CHET account or make a contribution to an existing account – for their loved ones," Nappier said. "Toys and games lose their luster over time, but a contribution to a college savings account is a lifelong gift. It's a win-win situation, the contribution has the potential to get a significant break and the child gets that much closer to the goal of a college education."

Treasurer Nappier also announced the introduction of three new CHET investment options, offered by TIAA-CREF Tuition Financing, Inc., which is the Program Manager for CHET. The new options bring the total number to eight and provide account owners a range of choices depending on their risk tolerance. The new Aggressive Managed Allocation Option is an age-based option that is more heavily invested in equities and real estate than the existing Managed Allocation Option. The new Social Choice Option invests 100 percent in the TIAA-CREF Institutional Social Choice Equity Fund, which includes equity securities of companies that meet certain standards for responsible business practices and corporate citizenship. The new Money Market Option, available beginning February 18, 2008, is designed to provide current money market returns, while striving to maintain the goal of preserving capital.

CHET has experienced record growth since the introduction of the state income tax deduction in June 2006. Year-to-date program contributions through November increased by over half (56.5%) from the same period last year. CHET's account base has also grown

significantly as net new accounts climbed by 41 percent from 50,258 accounts to 71,082 accounts as of the end of November 2007. Capping off a period of record contributions and asset growth, CHET asset levels recently topped the \$1 billion milestone. This compares with \$18 million in assets and just over 4,000 accounts when Treasurer Nappier took office in 1999.

“We are working with Treasurer Nappier and the state of Connecticut to provide every resident in the state with an easy and affordable way to pay for college,” said Pam McNulty, Regional Director and Program Manager for TIAA-CREF Tuition Financing, Inc., the financial services organization that manages CHET.

CHET is the only 529 college savings plan in the state of Connecticut that provides the opportunity for a state income tax deduction for state tax payers. Coupled with the program’s low fees, federal tax benefits, diverse investment options, which keep getting better, and strong performance, the program offers great value for families struggling against to save for the rising costs of college.

According to The College Board, a nonprofit association of colleges and educational organizations, college tuition and fees in the 2007 academic year were up 35 percent from five years ago. The cost of tuition, fees, room and board at the University of Connecticut for the 2007-2008 school year, for example is nearly \$18,000.

“As tuition prices continue to rise, the affordability of college is becoming a concern to more and more parents,” McNulty said. “Families are increasingly finding great value in CHET, their home state plan.”

In July, CHET was rated the top choice for residents of the state by Money magazine, which reported that nationwide, consumers invested a record \$5.2 billion in 529 college savings plans in the first quarter of this year.

The tax information contained in this release is not intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding tax penalties that may be imposed on the taxpayer. It was written to support the promotion of the products and services available through CHET. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

The Connecticut Higher Education Trust College Savings Program (CHET) is administered by the Connecticut State Treasury. TIAA-CREF Tuition Financing, Inc. (TFI) serves as Program Manager. TFI's affiliate, TIAA-CREF Individual & Institutional Services, LLC, is the distributor.

Consider the investment objectives, risks, charges and expenses before investing in the Connecticut Higher Education Trust College Savings Program. Please call toll-free 1-888-799-2438 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.

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 CHET under the funding agreement for the Principal Plus Interest Option. Account value will fluctuate based upon a number of factors, including general market conditions.

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