



The Office Of State Treasurer
Denise L. Nappier

News

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MORE THAN 2,400 ENROLL IN CHET BABY SCHOLARS *Family of triplets among those benefiting*

HARTFORD, CT – When Femi Kuti and his wife Elizabeth found out she was pregnant, they never could have imagined they would be having triplets. They focused on immediate needs and rallied to get three of everything, including cribs and car seats.

The last thing on their minds was that in 18 years, they would have to pay triple the college education costs. But forewarned is forearmed. Heeding the advice of a co-worker, the Moodus couple opened up CHET accounts for their newborns through CHET Baby Scholars.

“They say ‘the journey of a thousand miles begins with a step.’ For us, opening CHET accounts feels like the first important step toward lessening a major future cost associated with paying for our three angels’ college education,” said Femi Kuti. “CHET really makes the process easy. From direct payroll deductions to the Connecticut State tax benefits, we would be crazy to not take advantage. We are very proud to be among the first few hundred Connecticut families who will benefit from CHET Baby Scholars.”

CHET Baby Scholars, which launched on August 7 last year, has completed a successful first year. More than 2,400 families have enrolled in the program and put nearly \$4 million into CHET accounts.

“As parents prepare for a new baby they are filled with joy, excitement and a lot of questions about the first days and years of their child’s life. Thinking about their child’s future college education in 18 years may not be top of mind. The CHET Baby Scholars program is here to remind parents that they need to start early and to help give them a little boost in getting their accounts up and growing,” said State Treasurer Denise L. Nappier, Trustee of the Connecticut Higher Education Trust (CHET).

CHET Baby Scholars deposits up to \$250 into a CHET account for children born or adopted on or after January 1, 2014. The first \$100 will be deposited upon opening a CHET account. In order to qualify for the additional \$150 from CHET, family and friends must add at least \$150 to the child’s enrolled CHET account within four years. The deadline to participate is 12 months after the child’s birth or adoption.

September is National College Savings Month. Treasurer Nappier thanked Governor Malloy for his strong support of college savings programs, noting that each year he has proclaimed September as College Savings Month in Connecticut and in 2014 he proposed CHET Baby Scholars to the legislature.

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In a little over a year since its launch, 2,424 families have enrolled in CHET Baby Scholars. In addition, the families have deposited \$3.7 million into the accounts they set up to receive the CHET Baby Scholars grants. And 77 percent of participants have received the maximum \$250 state grant because they deposited at least an additional \$150 into their accounts. The State has contributed a total of \$540,600, creating a seven-fold return on its investment.

Connecticut's participation rate thus far is 6.1 percent, which compares favorably to the first-year rate of roughly 4% in the first year after launch in neighboring Rhode Island.

Treasurer Nappier, a rare identical triplet – a “one in a million” surprise for her parents – said, “I have a unique understanding of the pressures faced by families with more than one child in college. My parents put three of us through college at a time when there were no programs like CHET or CHET Baby Scholars and the financial aid system didn't make allowances for having more than one child in college at a time.”

“But luckily, times have changed and while there is more progress to be made in the college savings arena, the fact that families like the Kuti's will be able to better afford college for their children through CHET Baby Scholars makes me proud of the progress we have made,” Treasurer Nappier said.

Since being enacted in 1965, the Higher Education Act has been reauthorized eight times, typically every four to six years. In 1976, Congress amended the Act to benefit those families with multiple children in college at the same time allowing those factors and expenses to be part of the financial aid consideration process. This reauthorization not only impacted families with children attending college several years apart but more directly impacted families that have twins and triplets.

About CHET

CHET is Connecticut's state-sponsored 529 college savings plan. Since CHET was established in 1997, more than \$1.1 billion in qualified withdrawals have been taken to cover college costs for roughly 32,000 students.

Today the number of CHET Direct-Sold 529 accounts stands at over 101,000 and total assets are close to \$2.5 billion. That compares with 4,000 accounts and \$18 million in assets in 1999 when Treasurer Nappier began to supervise CHET.

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 free from state and federal taxes if used for qualified educational expenses. A CHET account can be opened easily online with as little as \$25.

For more information about CHET, visit www.aboutchet.com or call the customer service center at (866) 314-3939. Find CHET on Facebook (facebook.com/CHETcollegesavings) or follow it on Twitter (@CHET529). For more information about CHET Baby Scholars, visit www.aboutchet.com/babyscholars.

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