



The Office Of State Treasurer
Denise L. Nappier

News

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ACCOUNT OWNERS' FEES DECREASED AS CHET's ASSETS GROW TO MORE THAN \$2.5 BILLION

HARTFORD, CT -- Connecticut State Treasurer Denise L. Nappier today announced a reduction in the management fee of the Connecticut Higher Education Trust (CHET), now that the direct-sold plan has surpassed \$2.5 billion in assets.

“CHET’s growth reflects the strong value Connecticut families place on saving for their children’s educational and financial future. My goal is to make CHET even more helpful to these families and that’s why lower fees were negotiated for CHET when it reached \$2.5 billion in assets. That day is here now. I am pleased to announce that the CHET direct-sold management fee has been lowered by three basis points, or 20 percent, from 0.15 percent to 0.12 percent effective immediately,” said Treasurer Nappier, Trustee of CHET.

CHET offers some of the lowest fees in the country for a state-sponsored college savings plan, ranking in the top quartile – which means its fees are in the lowest 25 percent -- of all direct-sold 529 plans nationwide. During her administration, Treasurer Nappier has negotiated five substantial reductions in plan management fees for the CHET direct-sold accounts, including a 40 percent reduction in plan management fees in the last six years alone. At the start of her administration, fees were 1.55 percent of assets for all participants; today the combination of plan management and asset-based fees for the most common investment option range from .35 to .48 percent of assets.

“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,” added Treasurer Nappier.

“It’s important for parents to remember that although many cannot save 100 percent of what college might cost, having some savings put aside will help advance the goals of a college education and a family’s financial freedom from college debt,” she said.

Assets up more than 30 percent per year; withdrawals to pay for college top \$1 billion

Treasurer Nappier has made it a mission of her administration to help Connecticut families save for college and has made CHET a top priority in her office.

Assets have grown, on average, 33 percent per year from \$18.5 million when Treasurer Nappier took office in 1999. Accounts in the direct-sold plan have increased from 4,000 to more than 105,000.

CONTACT: DAVID BARRETT, DIRECTOR OF COMMUNICATIONS, (860) 702-3164

DAVID.S.BARRETT@CT.GOV

Qualified withdrawals totaling just over \$1.2 billion have been made to fund the college expenses of roughly 35,000 beneficiaries attending many public and private colleges in Connecticut -- including Yale University, UCONN, the state university system, community colleges and trade schools – as well as colleges across the nation.

New CHET Initiatives

In 2013, Treasurer Nappier created the CHET *Advance* Scholarship, which has provided six hundred students with help achieving their college dreams. Another 200 awards will be provided in the fall of 2016 for 9th and 12th graders.

Her Office, in conjunction with the Governor’s Office, launched the CHET Baby Scholars Program, now in its third calendar year. Newborns residing in Connecticut (including babies up to one year old, and newly-adopted children within the first anniversary of the adoption) are eligible to have a grant in the amount of \$100 deposited into their CHET account, And, if an additional \$150 is saved in the account by the time the child is four (or, in the case of adoption, by the fourth anniversary of the adoption), the family is eligible to receive an additional \$150.

About CHET

The CHET direct-sold plan is administered by the Office of Treasurer Nappier, and managed by TIAA-CREF Tuition Financing, Inc.

Treasurer Nappier actively promotes CHET and works to make it an easy, affordable, and attractive way to get students to college. She lowered the first deposit minimum from \$500 to \$25 and spearheaded the state income tax deduction. Connecticut taxpayers are eligible to receive a Connecticut income tax deduction of up to \$10,000 on contributions made to CHET. And earnings are free from federal and state income tax when used for qualified expenses.

Funds saved in a CHET account can be used at accredited colleges, universities, and vocational trade schools across the country for qualified higher education expenses. Some colleges abroad are also eligible.

In 2015, Morningstar ranked sixty-three 529 plans across the country. CHET-Direct was among 18 bronze medalists. Only eleven 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. To date, more than 2,800 E-gifts have been made, totaling more than \$2.5 million in contributions.

For more information about CHET, visit www.aboutchet.com or call the customer service center at (866) 314-3939.

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