



## FINANCE AND ADMINISTRATION CABINET

Ernie Fletcher  
Governor

**NEWS FROM**  
**KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**

Robbie Rudolph  
Secretary

P.O. Box 798, Frankfort, KY 40206-0798  
www.kheaa.com

Dr. Joe L. McCormick  
Executive Director

Contact: Lori Powers  
Phone: (502) 696-7378  
E-mail: lpowers@kheaa.com

### **FOR IMMEDIATE RELEASE**

## **Kentucky's college savings plan reaches milestones**

**Frankfort, Kentucky (Jan. 23, 2006)** — More Kentuckians than ever are taking advantage of the state's college savings plan, according to figures from the Kentucky Higher Education Assistance Authority (KHEAA).

Through 2005, more than 9,000 accounts have been created with the Kentucky Education Savings Plan Trust. The trust's assets at the end of 2005 surpassed the \$70 million mark.

"Trust account owners are continuing to invest at record levels in this program designed to help families save for college," said Dr. Joe L. McCormick, KHEAA's executive director. KHEAA, a state agency, administers the trust.

An account may be opened for a beneficiary of any age for as little as \$15 per pay period if using payroll deduction. Earnings are exempt from Kentucky taxes and federal taxes until withdrawn for qualified education expenses. The law allowing federal tax-free qualified withdrawals is set to expire on December 31, 2010. Congress may or may not extend the law beyond this date.

The trust is managed by TIAA-CREF Tuition Financing Inc., a national leader in managing college savings plans. Savings can be used at eligible colleges across the United States. For more information, call 1-877-KY TRUST or visit [www.kysaves.com](http://www.kysaves.com).

To learn how to plan and prepare for higher education, visit [www.GoHigherKY.org](http://www.GoHigherKY.org). For more information about Kentucky scholarships and grants, visit [www.kheaa.com](http://www.kheaa.com); write KHEAA, P.O. Box 798, Frankfort, KY 40602-0798; or call (800) 928-8926, extension 7381. For more information about low-cost student loans, visit [www.studentloanpeople.com](http://www.studentloanpeople.com); write The Student Loan People, P.O. Box 24328, Louisville, KY 40224-0328; or call (888) 678-4625.

Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

**Consider the investment objectives, risks, charges and expenses before investing in the the Kentucky Education Savings Plan. For details, visit [www.kysaves.com](http://www.kysaves.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 Kentucky, 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 Kentucky Education Savings Plan under the funding agreement for the Guaranteed Option. Account value will fluctuate based upon a number of factors, including general market conditions.

C35127

-30-