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## **COLLEGE SAVINGS FOUNDATION APPLAUDS HOUSE BILL IMPROVING 529 COLLEGE SAVINGS PLANS**

Washington, DC, March 10 –The Savings Enhancement for Education in College Act introduced in the House of Representatives by Earl Pomeroy (R-N.D) and Patrick J. Tiberi (R-OH) will make saving and paying for college more achievable for American families, says the College Savings Foundation.

“This 529 bill brings the reality of college closer to students across America – from low and moderate income families that are starting to save, to families who are already saving but facing market uncertainty,” said Kevin McMullen, Chairman of CSF, the leading nonprofit helping American families save for college. The bill provides three improvements to the current qualified tuition savings programs known as “529 plans,” named after the section of the Internal Revenue Code that enables Americans to save for qualified college expenses free from federal income tax.

The proposed bill expands the current law Saver’s Credit beyond retirement savings vehicles, such as 401(k) and IRAs, to include 529 college savings plans. The Saver’s Credit allows families of married couples with incomes up to \$55,500 or individuals with an income up to \$27,750 to receive a tax credit for their 529 college savings.

“Expanding the Saver’s Credit to 529 plan contributions is a great step toward helping many American families achieve their dream of sending their children to college,” McMullen said.

The bill also enables those with 529 college savings plans to change their investment selection twice a year rather than once. Current Treasury guidance enables 529 account owners to change twice a year, but only in 2009. “This offers peace of mind to parents who are concerned about their investments in uncertain financial markets,” McMullen said.

Another welcome change is the use 529 funds for the purchase of computer technology and equipment. This makes permanent a provision that was included in the recently-enacted economic stimulus legislation.

“Education is a priority for this country; and thanks to Representatives Pomeroy and Tiberi, saving for college is becoming easier for more Americans,” McMullen said.

The College Savings Foundation (CSF) is a Washington, D.C.-based not-for-profit organization whose mission is to help American families achieve their education savings goals by working with public policy makers, media representatives and financial services

industry executives in support of education savings programs. For more information on CSF and its mission, please access [www.collegesavingsfoundation.org](http://www.collegesavingsfoundation.org)