



CollegeSavings
FOUNDATION

Contact: Mark Prindle
TorranceCo
(212) 786-6132
FOR: The College Savings Foundation

**COLLEGE SAVINGS FOUNDATION APPLAUDS
U.S. REPRESENTATIVES HART AND POMEROY
ON LEGISLATION MAKING TAX-FREE 529 WITHDRAWALS
PERMANENT**

Washington, D.C., May 17, 2005 – Representatives Melissa Hart (R-PA) and Earl Pomeroy (D-ND) today introduced legislation to make permanent the tax-free treatment of qualified withdrawals from Section 529 plans. These plans, which include both prepaid tuition plans and savings plans, have become critical tools enabling today’s families to finance the increasing costs of higher education. Representatives Hart and Pomeroy, both members of the tax-writing House Ways & Means Committee, were joined in introducing the bill by a large bipartisan group of members from the Committee.

“Millions of American families have come to rely on 529 Plans to meet the rising costs of a college education,” said David Pearlman, chairman of the College Savings Foundation (CSF). “We applaud this initiative by Representatives Hart and Pomeroy that will allow 529 Plans to remain an attractive and viable option for families seeking to finance the continually increasing costs of higher education.”

In 2001, Congress enacted reforms providing tax-free treatment for withdrawals from 529 plans that are used for higher education expenses, as well as making the plans easier to use and less expensive to administer. These reforms, however, are currently scheduled to sunset after 2010. The Hart-Pomeroy bill would make permanent these reforms so that families can plan for college expenditures without fear of adverse tax implications or unanticipated alterations to the Plans as they now exist.

Mr. Pearlman emphasized that by taking this leadership position in advocating permanent reform, Hart and Pomeroy are working to ensure that American families will not be punished unnecessarily for making sound savings decisions today to help their children fulfill their educational goals in the future. “We are hopeful that, in light of today’s auspicious beginning, Congress will move promptly in the months to come to make the 2001 529 plan reforms permanent,” Pearlman said. “Quick action will ensure that families’ efforts to save for college can continue uninterrupted.”

Note to Editors: The College Savings Foundation (CSF) is a Washington, D.C.-based not-for-profit organization with the mission of helping 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. CSF serves the education savings industry as a central repository of information and an expert resource for representatives of state and federal government, institutions of higher education and other related organizations and associations. A primary focus of CSF is building public awareness of and providing public policy support for 529 plans – an increasingly vital college savings vehicle. CSF’s members include firms that offer 529 college savings programs and/or participate in those programs as investment managers; associate members include law firms, accounting and consulting firms, governmental bodies and non-profit agencies and individuals who support CSF and its mission. www.collegesavingsfoundation.org

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