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**COLLEGE SAVINGS FOUNDATION AND
SECURITIES INDUSTRY ASSOCIATION APPLAUD
MAINE LEGISLATURE FOR PROVIDING EQUITABLE STATE TAX
TREATMENT FOR COLLEGE SAVINGS PLANS**

**Maine Enacts Groundbreaking Legislation to Benefit
Families Saving in Any 529 Plan**

April 7, 2006 – The College Savings Foundation (CSF) and Securities Industry Association (SIA) applaud the Maine Legislature, which on April 3rd enacted bi-partisan legislation benefiting 529 plan investors. The provision as approved in the supplemental budget bill allows for a \$250 deduction per designated beneficiary for Maine residents who contribute to any qualified 529 college savings plan effective January 2007. The deduction is available for single filers with income of \$100,000 or less and joint filers with income of \$200,000 or less.

Section 529 college savings plans, which are offered on a state-by-state basis, give federal income tax-free treatment to earnings and distributions made from plan accounts when used for qualified higher education expenses. With 529 plans, some states offer deductions, but only for residents investing in their own state-offered plans. The Maine legislation is the first in the nation that will permit the deduction for investments in any 529 college savings plan.

“We commend Maine for taking such a bold leadership position on such an important issue, and for adopting a public policy that serves the interests of its residents,” said David Pearlman, CSF Chairman. “This legislation acknowledges that no single plan is right for every investor, and allows each family to select the plan or plans best suited for their individual investment needs.”

Mr. Pearlman went on to commend Governor John Baldacci, State Treasurer David Lemoine, John Witherspoon, CEO at the Finance Authority of Maine, and the Maine Legislature, as well as bill sponsor Representative Timothy Driscoll.

“By eliminating investor confusion and offering a tax incentive, this legislation actively encourages families to save for college,” added Kevin McMullen, Chairman of the CSF Government Affairs Committee. “And in today’s environment of steadily increasing higher education costs, it is imperative that parents begin saving early.”

For the 2005-2006 academic year, the College Board reports that the average annual total cost of attending a 4-year public and a 4-year private college or university increased 6.6% (to \$12,127) and

5.7% (to \$29,026), respectively. However, higher education yields significant benefits for individuals and society. A recent “Education Pays” report from the College Board documents that college graduates earn over \$1 million more than their counterparts with a high school diploma during the course of their work lifetime.

“It is our hope that other states will follow Maine’s lead by advancing a public policy that puts first the interests of families trying to save for college,” said Kim Chamberlain, SIA Vice President and Counsel, State Government Affairs. Similar legislation that would enable residents to focus on the plan best suited for them has been introduced in 9 states, including Kansas, Rhode Island, and Pennsylvania. We applaud Maine for being at the forefront of this important issue.”

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

The Securities Industry Association brings together the shared interests of more than 600 securities firms to accomplish common goals. SIA's primary mission is to build and maintain public trust and confidence in the securities markets. At its core: Commitment to Clarity, a commitment to openness and understanding as the guiding principles for all interactions between investors and the firms that serve them. SIA members (including investment banks, broker-dealers, and mutual fund companies) are active in all U.S. and foreign markets and in all phases of corporate and public finance. According to the Bureau of Labor Statistics, the U.S. securities industry employs nearly 800,000 individuals, and its personnel manage the accounts of nearly 93-million investors directly and indirectly through corporate, thrift, and pension plans. In 2004, the industry generated an estimated \$227.5 billion in domestic revenue and \$305 billion in global revenues. (More information about SIA is available at: www.sia.com.)