

FOR IMMEDIATE RELEASE
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For SIA

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For College Savings Foundation

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**COLLEGE SAVINGS FOUNDATION, SIA APPLAUD MISSOURI LEGISLATURE FOR
COMMITMENT TO HELPING MORE FAMILIES SAVE FOR COLLEGE**

**S.C.R. 17 CREATES COMMITTEE TO STUDY, RECOMMEND NEW SAVINGS CHOICES
FOR 529-EDUCATION SAVINGS PLANS**

Jefferson City, MO, May 19, 2005 – The College Savings Foundation (CSF) and the Securities Industry Association (SIA) today applauded the Missouri legislature for passing Senate Concurrent Resolution 17, which creates a joint committee to study methods for expanding opportunities for Missouri families saving for their children's college expenses through 529-education savings accounts.

"SIA commends the legislature for recognizing the need to expand the options for Missouri families saving for their children's college expenses," said Kim Chamberlain, SIA vice president and counsel, state government affairs. "Finding new ways to encourage savings will help make college an affordable goal for their children. We look forward to reading the committee's report, and will work with them to develop tangible ways for Missourians to save for higher education."

Established on a state-by-state basis, Section 529 plans enable individuals to make after-tax contributions, have earnings grow tax-free, and take tax-favored withdrawals for qualified higher-education expenses. Investors are free to invest in any state's plan, regardless of their state of residence. Earnings and qualified plan distributions are generally tax-free at both the federal and state levels.

However, Missouri residents receive a state-tax deduction for contributions of up to \$8,000 per taxpayer per year only when they choose the Missouri Saving for Tuition Program (MOST), the state's 529 plan. Limiting this preferential tax treatment to MOST contributions oftentimes compels families to select a plan based on the tax deduction and not on other equally important criteria, such as investment objective and risk level, investment options and flexibility, performance, expenses and sales loads.

"The legislature's action is a critical next step to giving Missouri families more options in selecting a 529 plan," said Kevin McMullen, chairman of the CSF Government Affairs Committee. "Creating new investment opportunities for 529 plans means investors will no longer feel compelled to select a plan based on a narrow set of options. While the up-front tax deduction is important to Missouri families, it should not be the only factor to consider when selecting a plan."

The resolution introduced by State Senator Delbert Scott (R-28), chairman of the Senate Financial, Governmental Organizations, and Elections Committee, requires the newly created Joint Interim Committee on Investments in Higher Education Savings Programs to make recommendations on expanding 529 plan savings to the General Assembly no later than December 31, 2005. The CSF and SIA salute the leadership of Senator Scott in introducing this resolution with the goal in mind of giving Missouri parents and families every opportunity to invest in the 529 savings program that best meets an individual's need to save for higher education.

To read Senate Concurrent Resolution 17, go to:
<http://www.senate.mo.gov/05info/billtext/perf/SCR17.htm>

College Savings Foundation

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

Securities Industry Association

The Securities Industry Association brings together the shared interests of more than 550 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.)