

May 26, 2011

**5/29 is a great day to start or add to your NC 529 college savings plan**  
*- New state legislation encourages everyone to save -*

Raleigh, N.C. – The date of May 29 (5/29) is a great reminder for any parent, grandparent or anyone else with a college savings plan to take action. And it is also a good day to celebrate recent legislation passed by the N.C. General Assembly that preserves the state tax deduction on contributions to the NC 529 Plan for all North Carolinians.

If you are not yet saving for college, get started on 5/29 by enrolling in the NC 529 Plan, which offers both federal and state tax advantages. If you are already enrolled, use the day to review your college-savings goals and progress. You may want to consider beginning or increasing regular, automatic draft contributions.

An in-depth study from Morningstar lists the NC 529 Plan as one of the ten lowest cost 529 plan investments in the nation. In addition to low-cost investment options, N.C. taxpayers who make contributions to the NC 529 Plan of up to \$2,500 per individual or \$5,000 for joint filers are eligible for an annual deduction from their state taxable income.

This state tax deduction was originally scheduled to be subject to adjusted gross income limitations beginning in 2012; however, the N.C. General Assembly voted last week to eliminate limits, which means that the deduction will continue to be available to every N.C. taxpayer who contributes to the NC 529 Plan.

At the end of April 2011, 90,908 participants have more than \$815 million invested in the NC 529 Plan. The number of accounts has grown by 15.8% since the same time last year. More than 200 North Carolina employers now offer the opportunity to contribute to the NC 529 Plan via payroll deduction. For more information on the NC 529 Plan, its investment objectives, risks and costs, call 800-600-3453 toll free or visit [www.CFNC.org/NC529](http://www.CFNC.org/NC529) to read the Program Description.

The availability of tax benefits may be conditioned on meeting certain requirements. Check with your home state about tax or other benefits associated with investing in its own qualified tuition plan.

The NC 529 Plan is a program of the State of North Carolina, established and maintained by the North Carolina State Education Assistance Authority as a qualified tuition program under federal tax law, and administered by College Foundation, Inc.

#### *About CFNC*

*College Foundation of North Carolina (CFNC) is a free service of the State of North Carolina that helps students plan, apply, and pay for college. CFNC is a partnership of Pathways, the N.C. State Education Assistance Authority, and College Foundation, Inc.*

- *Pathways, created by the N.C. General Assembly in 1999, is a state-wide initiative to increase the college-going rate of North Carolinians by providing: comprehensive college and career planning resources; electronic applications and transcripts accepted by all 110 North Carolina colleges and universities; and, information on student financial aid and college affordability. Pathways is administered by The University of North Carolina General Administration in collaboration with the N.C. Department of Public Instruction, the N.C. Community College System, and the N.C. Independent Colleges and Universities.*
- *The North Carolina State Education Assistance Authority (NCSEAA), established in 1965, is the State agency that promotes access to higher education by administering financial aid and savings programs, informing students and families about paying for college, teaching educators about financial aid administration, and advocating for resources to support students.*
- *College Foundation, Inc. (CFI), a nonprofit corporation serving North Carolina students and families since 1955, administers a portfolio of more than \$3.3 billion, including education loans, the State's college grant programs, and the tax-free "529" college savings program on behalf of the N.C. State Education Assistance Authority. CFI also delivers information to North Carolina students and families about paying for college and provides technology services for CFNC.org.*

*CFNC offers resources toll-free at 1-866-866-CFNC and at CFNC.org.*

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