

November 28, 2011

A gift for future college students – and yourself

**-- NC 529 Plan recommends sending year-end contributions early
for processing in 2011 tax year --**

RALEIGH, N.C. – A gift contribution to a young person’s college savings fund is a great idea any time of the year —and especially during the holiday season. If you make a contribution to an account in the NC 529 college savings plan, your holiday gift may benefit you and the recipient.

Any North Carolina taxpayer who wants to help a future student by contributing to an NC 529 account may be eligible for a state tax deduction for the contribution for 2011, even if the contributor is not the account owner. Parents, grandparents and others looking for a gift that will last long past the holiday are encouraged to beat the year-end rush.

Due to the heavy volume of 529 contributions expected in December, combined with the typical increase in holiday mail, contributing early is prudent. For contributions to be considered received in 2011, they must be processed by the Plan by 4 p.m. on Friday, December 30, not just received or postmarked by then. End of year deadlines for receiving contributions will differ based on the method used to contribute, such as by paper check, wire or electronic draft. Waiting until the last minute may cause a problem if there are questions concerning your contribution or enrollment form or if mail delivery is delayed.

Don’t miss your chance this year. Go to CFNC.org/NC529 for the specific year-end deadlines for 2011 contributions. Each year North Carolina taxpayers, regardless of income, who make NC 529 contributions of up to \$2,500 (individually) or \$5,000 (married, filing jointly) may be eligible for the state tax deduction.

If you have any questions about the NC 529 Plan, call toll-free 1-800-600-3453.

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For more information about North Carolina's National College Savings Program, please review the complete Program Description and Enrollment Agreement available at CFNC.org/NC529 or contact 800-600-3453 to request an enrollment kit that includes both. Before opening an Account, or contributing funds to an existing Account, you should carefully read and consider the Program Description, which includes information on investment objectives, risks, charges, expenses, and other important information.

North Carolina's National College Savings Program is a program of the State of North Carolina, established and maintained by the State Education Assistance Authority (Authority) as a qualified tuition program under federal tax law, and administered by College Foundation, Inc.

(CFI). Check with your home state about tax or other benefits associated with investing in its own qualified tuition plan.

The features of a qualified tuition program are complex and involve significant tax issues. The earnings portion of withdrawals not used for qualified higher education expenses are subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. The availability of tax benefits may be contingent on meeting other requirements.

Accounts themselves are not bank or credit union deposits and are not insured by the FDIC or NCUA. Neither the Contributions nor the earnings thereon invested in or allocated to Program Accounts are backed by the full faith and credit of the State of North Carolina or guaranteed by the Authority, CFI, SECU or Vanguard. Notwithstanding the foregoing, Contributions and interest earned thereon allocated to the Federally-Insured Deposit Account Investment Option are guaranteed by SECU and insured by NCUA, which is backed by the full faith and credit of the United States Government. The value of a Participant's Account will fluctuate depending on market conditions and the performance of the Investment Options selected. You could lose money by investing in the Program. Participants assume all responsibility for federal and state tax consequences.