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-- NC 529 Plan urges account holders to send in contributions early in December for processing in 2008 tax year --

-- Kiplinger.com recommends NC 529 Plan for state's residents --

RALEIGH, N.C. – Parents, grandparents and others thinking about making contributions to a NC 529 college savings plan are encouraged to beat the rush if interested in a 2008 state tax deduction. Sending checks or making online contributions well before the end of December is advised.

Due to the heavy volume of 529 contributions normally received at the end of the calendar year, combined with the increase in holiday mail, early contributions are encouraged. Contributions must be received and processed by December 31, not just postmarked by that date. Waiting until the last minute may cause a problem if there are questions concerning your contribution or enrollment form or mail delays.

Details of deadlines related to specific contribution methods are available at CFNC.org/NC529. At the CFNC website, parents, grandparents and friends of future college students can also learn more about the state's 529 plan, recognized for its reasonable expenses, state tax deduction and tax-free earnings. For tax year 2008, N.C. taxpayers may deduct contributions to the N.C. 529 program of up to \$2,500 for an individual and \$5,000 for a married couple filing jointly. There is no income restriction related to the deduction.

Last month, Kiplinger.com recommended the NC 529 Plan, saying "'The tax break trumps lower fees in an out-of-state 529.'

You can set up a new NC 529 account or give a gift to an existing account to benefit that special someone this holiday season. Go to CFNC.org/NC529 to learn about North Carolina's tax-free 529 college savings plan or to complete a gift card. If you have any questions, call toll-free 1-800-600-3453.

About CFNC, NCSEAA, Pathways and CFI

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

The North Carolina State Education Assistance Authority 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.

Pathways is a state-based initiative including North Carolina's Department of Public Instruction, the University of North Carolina System, the North Carolina Community Colleges, and the North Carolina Independent Colleges and Universities working together to increase access to college for all North Carolinians.

College Foundation, Inc., a nonprofit corporation serving North Carolina students and families since 1955, administers a portfolio of more than \$3 billion, including low-interest federal 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.

CFNC offers its resources via telephone, toll-free at 1-866-866-CFNC or on its website at CFNC.org.

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