

Georgia Higher Education Savings Plan Is Now the *Path2College 529 Plan*

***Path2College 529 Plan also has lower fees, more investment options
to help families save for college***

ATLANTA – The Georgia Higher Education Savings Plan (GHESP) is changing its name to the *Path2College 529 Plan*.

The new name better describes what the plan does – helping families prepare financially for a college education.

“We’re excited about our name change and confident that the new plan can provide families with more opportunities to help prepare to send their children, grandchildren and other loved ones to college,” said Chuck Penuel, director of the Path2College 529 Plan.

The *Path2College 529 Plan* also has negotiated with its program manager, TIAA-CREF Tuition Financing Inc. (TFI), to lower total fees from 0.78% to:

- 0.65% annually for options commonly referred to as the “age-based” options;
- 0.50 for the 100% Equity Option; and,
- 0.71% for the Balanced Fund Option.

As a result of these reductions, new and existing *Path2College 529 Plan* account owners may benefit from more of their investment going towards savings rather than fees.

Starting today, *the Path2College 529 Plan* also will offer the 100% Fixed-Income Option, and effective March 10, 2008 the Plan will add the Money Market Option. The new investment options and lower fees are described in more detail in the Program Disclosure Booklet mailed to current account holders earlier this month and posted to the plan’s new Web site at www.path2college529.com. “We hope the new investment options and lower fees offered in *the Path2College 529 Plan* will encourage even more Georgia families to take advantage of the plan as they prepare for college,” Penuel said. “By starting early, parents and other family members can help remove some of the financial worries associated with college costs.”

The name change and plan enhancements follow recent changes that significantly improve state tax benefits for Georgia taxpayers. Earlier this year, Governor Sonny Perdue signed House Bill 225 into law. That legislation made *all* contributors to the Georgia 529 college savings plan eligible for the state income tax deduction.

Previously, only a contributor who claimed the beneficiary as a dependent could take advantage of the state tax deduction. The new law allows grandparents and other family members to take up to a \$2,000 tax deduction on behalf of any beneficiary for Georgia income tax purposes. Rollovers are not eligible for the Georgia income tax deduction. Recapture provisions may apply.

In addition to making grandparents and others eligible, the law also removes the previous income restriction on eligibility for the tax deduction. The new law enables all Georgia state income taxpayers to take full advantage of the tax break – regardless of their income.

The tax law changes were effective immediately, allowing contributors to realize the tax benefits on their 2007 Georgia income tax returns.

The *Path2College 529 Plan* covers tuition and other qualified college expenses such as certain room and board, books, and fees at eligible colleges in Georgia and nationwide.

Launched in April 2002, Georgia's 529 plan reached an important milestone in spring 2007 when assets surpassed the \$500 million mark. Currently the plan has \$578 million in assets and more than 83,000 individual accounts as of December 6, 2007. For more information on the *Path2College 529 Plan*, visit: www.path2college529.com or call 1-877-424-4377. Chuck Penuel may be reached at (404) 463-0000 or by e-mail at chuckpenuel@otfs.ga.gov.

Consider the investment objectives, risks, charges and expenses before investing in the Path2College 529 Plan. Please visit www.path2college529.com for a Disclosure Booklet containing this and other information. Read it carefully.

Before investing in a 529 plan, you should consider whether the state you or your Beneficiary reside in or have taxable income in has a 529 plan that offers favorable state income tax or other benefits that are only available if you invest in that state's 529 plan.

The tax information contained herein is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. It was written to support the

promotion of the Path2College 529 Plan. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

The State of Georgia, its agencies, TIAA-CREF Tuition Financing, Inc., Teachers Insurance and Annuity Association of America and its affiliates do not insure any Account or guarantee its principal or investment return except for TIAA-CREF Life Insurance Company's guarantee to the Board of Directors of the Path2College 529 Plan under the Funding Agreement for the Guaranteed Option. Account value will fluctuate based upon a number of factors, including general market conditions.

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