



NEWS RELEASE

CALIFORNIA STATE TREASURER BILL LOCKYER

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Treasurer Lockyer, Schools Superintendent O'Connell Urge Families to Invest Tax Refunds in College Savings Plan for Children *ScholarShare Lets Parents Build College Fund With Tax Advantaged Investments*

SACRAMENTO – State Treasurer Bill Lockyer and State Superintendent of Public Instruction Jack O'Connell today urged California parents and families to invest their tax refunds in their children by using the state's college savings program, ScholarShare.

"Many Californians will find themselves with a little extra income this spring," said Lockyer. "Putting a tax refund into a ScholarShare account gives parents and families the opportunity to make an investment in their children's future and is a smart financial move. Higher education costs continue to rise and so does the importance of obtaining a college degree, making saving early for college all the more vital."

"Investing your tax refund in a ScholarShare account is a great investment that will grow with your child," said O'Connell. "The global economy is becoming increasingly competitive. In order to compete with peers from around the world, students need the higher level skills that can be gained through a college education. The ScholarShare investment that you make today can help make college affordable and benefit your child throughout a lifetime."

"Tax season coincides with college acceptances and so it's a natural time to think about the need to save for college," according to Andrea Feirstein, an independent college savings consultant to states across the country. "Any Californian with a child in their lives should look closely at the tax benefits provided by ScholarShare and use their tax refunds wisely. After all, it's never too late or too early to put those tax dollars to work in a ScholarShare account."

ScholarShare is the state's official "529" college savings plan, named after the IRS tax code section which governs these programs. ScholarShare enables Californians to save for college by putting money in tax-advantaged investments. After-tax contributions allow earnings to grow tax-deferred, and disbursements, when used for tuition and other qualified expenses, are federal and state tax-free.

Accounts may be opened online with as little as \$50, or \$15 when combined with regular investments of at least \$15 per month. ScholarShare has no annual fee, no income limit and offers a high maximum contribution limit of \$320,000. The program currently holds more than \$2.9 billion in assets in more than 206,000 accounts.

Lockyer is chair of the ScholarShare Investment Board, which sets investment policies and oversees all activities of ScholarShare. Go to www.treasurer.ca.gov/scholarshare for more information.

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