

COLLEGE CORNER

Paying For College With A 529 Savings Plan

(NAPSA)—There's no question that a college degree pays off, but how do you pay for college?

It's a problem facing tens of thousands of Ohio families struggling with how they're going to pay for college.

"Ohioans know the importance of college, yet we still have families who aren't prepared," says Jackie Williams, executive director of the Ohio Tuition Trust Authority, which was created by the state's General Assembly to help families pay for higher education.

Williams' solution: the Authority's CollegeAdvantage 529 Savings Plan—applicable towards tuition, room and board at any college in the country.

While most states offer such plans, either to their own residents or even nationwide, Ohio's tax-advantaged 529 is a standout—especially for in-state contributors, who receive both a state and federal tax break. Little wonder, then, in also citing its "low costs" and many options, that the respected financial Web site Morningstar.com says Ohioans would find the plan "tough to beat."

Small Investment, Lots Of Options

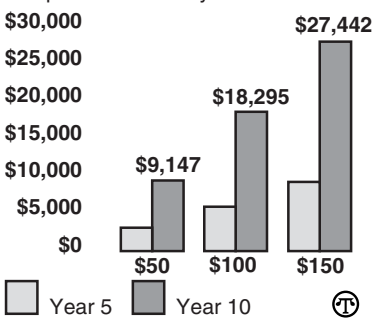
Ohio families can open a 529 with as little as \$15 and choose from investment options managed by The Vanguard Group, Putnam Investments or Fifth Third Bank:

- **Age-Based Options**—The allocations become more conservative as the beneficiary ages. Vanguard's are all low-cost, passively managed index funds, while Putnam's are actively managed and shift assets every three months.

- **Balanced Options**—Each of the six offerings invests in a predetermined mix of stocks and bonds. Asset allocation remains the same throughout the life of the account, regardless of the beneficiary's age.

Growing Money

The chart below shows the growth in savings, over five and 10 years, based on monthly contributions of \$50, \$100 and \$150, with a return of 8 percent compounded monthly.



- **Bank Options**—Families can opt for Fifth Third 529 Certificates of Deposit (CDs) that, once matured, can be withdrawn, reinvested in a different CollegeAdvantage option or left in an FDIC-insured, no-fee Fifth Third 529 Savings Account.

- **Cash, Bond and Equity Options**—There are seven capital preservation and fixed-income (bond) choices, including the Vanguard Prime Money Market option that invests in short-term money market instruments. Another 11 options invest in all equity mutual funds.

Tax Breaks

CollegeAdvantage participants pay no taxes as their funds grow, and qualified withdrawals are exempt from federal and Ohio income tax. Also, it's the only plan that provides for an annual state of Ohio tax deduction as high as \$2,000 per child—for anyone contributing to the account. Contributions over \$2,000 per child can be carried over into future years.

For more info and forms, visit www.collegeadvantage.com or call (800) AFFORD-IT.