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News Release

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NOWU CAN TRIM YOUR YEAR-END TAX BILL

Taxpayers can contribute to a nowU College Savings Program account by December 31 and get a tax deduction for 2007

HARRISBURG – Treasurer Robin L. Wiessmann today encouraged families to take advantage of generous tax breaks by opening or contributing to an existing nowU College Savings Program account by December 31. Individual taxpayers can deduct up to \$12,000 per beneficiary annually in contributions from Pennsylvania taxable income. Married couples filing jointly can deduct up to \$24,000 per beneficiary if each spouse has taxable income of at least the amount deducted.

“The best advice I can give parents this time of year is to open a nowU 529 account,” Treasurer Wiessmann said. “It’s an easy way to lower your taxes while investing in your child’s future.”

Last year, Pennsylvanians saved nearly \$12 million on their state income taxes just by saving for college. “I hope all families will join the 58,000 Pennsylvanians who cut their tax bill in 2006 while saving to make college possible!”

Treasurer Wiessmann also reminded families that it’s not too late to give the gift of education this holiday. Families that open an account or contribute to an existing nowU account on or before December 18 can call (800) 440-4000 to receive a nowU gift acknowledgment card.

“Toys break and get recalled, video games quickly become passé, and kids grow out of clothes. A college education is a gift for life,” Treasurer Wiessmann said. “Starting or contributing to a nowU account is a hassle-free and meaningful idea for the holidays.”

nowU offers Pennsylvania families two plans to help make college possible for their children: the Pennsylvania 529 Guaranteed Savings Plan (GSP) and the Pennsylvania 529 Investment Plan.

The GSP is tied to the rate of college tuition inflation. The GSP assures that if you save enough to pay for a semester of college today at a tuition level you choose, you’ll have enough to pay for a semester of college at that tuition level tomorrow - no matter when, or how much college tuition rises in the meantime.

The Investment Plan gives college savers the flexibility to choose from among 13 investment options, including three Age-Based portfolios, from Vanguard, one of the nation’s largest financial services companies.

Tax deductibility of contributions is not nowU's only tax-smart feature. Earnings in your account grow tax-free when used for qualified higher education expenses, which include nearly all higher education expenses (tuition, room and board, required books, supplies and equipment, mandatory fees, and special needs services).

The Pennsylvania Treasury Department, under the leadership of Treasurer Robin L. Wiessmann, acts as the Commonwealth's bank, serving as custodian, investor and disbursing officer of the Commonwealth's funds. Treasury also offers a wide range of programs and services to Pennsylvania families, such as helping to make college possible with the nowU Pennsylvania College Savings Program; returning abandoned and unclaimed property to its rightful owner or heir; offering Pennsylvanians an alternative to payday lending through Better Choice; and funding energy efficient home improvements through the KeystoneHELP low-interest loan program. For more information about Treasurer Wiessmann and the Pennsylvania Treasury Department, visit www.patreasury.org.

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