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News Release

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## **PA TREASURER ROB McCORD LOWERS FEES ON PENNSYLVANIA 529 INVESTMENT PLAN**

*Account owners will save millions with fee reductions of 20 to 30 percent*

**HARRISBURG** – Pennsylvania Treasurer Rob McCord today announced that he is lowering the annual fees charged for the Pennsylvania 529 Investment Plan by as much as 30 percent. Over 58,000 account owners will benefit.

“When I took office last year, my staff and I searched for ways to maximize the investment returns for the Pennsylvania 529 Investment Plan. One of the surest ways to reach this goal was and is to reduce fees,” said Pennsylvania Treasurer Rob McCord. “I am delighted to announce that, as of July 1, 2010, the asset-based fees charged in the Plan will drop.”

Today’s announcement by Treasurer McCord means that the annual fees for almost all Pennsylvania 529 Investment Plan accounts are being cut to 0.53 percent or less (as a percentage of total account value). Previously, the fee paid by nearly all account owners was 0.70 percent. The Pennsylvania 529 Investment Plan currently has \$750 million in assets under management.

One of the ways Treasury was able to reduce the fees was to bring several functions in-house, most notably customer service. In addition, Treasury was able to leverage services it already provided to the Pennsylvania 529 Guaranteed Savings Plan -- the other college savings plan offered by the McCord Treasury – creating cost-saving efficiencies.

Treasurer McCord emphasized that there will be no changes to two key aspects of the Pennsylvania 529 Investment Plan: The investment options will remain the same with Vanguard continuing to manage 3 age-based and 10 individual portfolio options; and program records and processing will still be handled by Upromise Investment Advisors.

“No parent wants to burden his or her child with large amounts of debt upon graduating from college,” Treasurer McCord continued. “With this reduction in fees, our current and future participants could save over \$12 million through 2016. Every dollar saved in fees is another dollar account owners can invest in their children’s future!”

The primary difference between the two Pennsylvania 529 College Savings Program plans offered by the Pennsylvania Treasury is how the funds are invested and returns are earned. In the Pennsylvania 529 Investment Plan, returns are based on the market performance of the investment options that the account owner selects; growth of the Pennsylvania 529 Guaranteed Savings Plan is

tied to the rate of college tuition inflation. Both plans feature tax-deferred growth on earnings and tax-free withdrawals when funds are used for qualified educational expenses.

“The McCord Treasury works hard to make Pennsylvania's 529 College Savings Program one of the best programs of its kind in the country – and I am happy to report we are meeting that goal,” Treasurer McCord said.

Visit [www.MakeCollegePossible.com](http://www.MakeCollegePossible.com) or call 1-800-440-4000 to open an account.

*Pennsylvania Treasurer Rob McCord is committed to increasing the economic security and prosperity of all Pennsylvanians. Before winning the statewide-elected job of State Treasurer, McCord was a successful and respected business leader. He is now focused on strengthening the state's economy, managing investments to get strong returns for taxpayers, and helping to create good jobs and retirement security for Pennsylvanians. To learn more about Treasurer McCord's initiatives, please visit the Pennsylvania Treasury Department at [www.patreasury.org](http://www.patreasury.org).*

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*The Pennsylvania Treasury Department serves as Distributor and Underwriter of the Investment Plan. If you are not a Pennsylvania taxpayer, consider before investing whether your or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.*

*The guarantee of the GSP (principal protection and tuition inflation growth) is an obligation of the GSP Fund only, not of the Commonwealth of Pennsylvania, the Pennsylvania Treasury Department, or any other party. Neither the GSP nor the Investment Plan is insured by the Federal Deposit Insurance Corporation or any other government agency.*

*Please read the Guaranteed Savings Plan Disclosure Statement and/or the Investment Plan Disclosure Statement (available at [www.MakeCollegePossible.com](http://www.MakeCollegePossible.com) or by calling 1-800-440-4000) to learn more about the limitation of the GSP guarantee, investment objectives, risks, charges, expenses, and tax implications of the Plans.*

**Investment returns are not guaranteed, and you could lose money by investing in the Investment Plan.**