



ROBERT M. McCORD, TREASURER
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

News Release

FOR IMMEDIATE RELEASE:
December 16, 2010

CONTACT:
Elizabeth Foose
717-787-2991
news@ptreasury.org

TREASURER McCORD TO PENNSYLVANIA FAMILIES: SAVE FOR COLLEGE, SAVE ON TAXES

*Reduce 2010 Pennsylvania taxes with contributions to a Pennsylvania 529 account by
December 31*

HARRISBURG – 'Tis the season to be jolly and generous. It's also a great time to save tax dollars by giving a gift that lasts a lifetime: PA 529 contributions.

Pennsylvania Treasurer Rob McCord today reminded families that only a few weeks remain to maximize their 2010 Pennsylvania tax deductions. The Treasurer noted that by opening or contributing to a Pennsylvania 529 College Savings Program account by December 31, Pennsylvanians could take advantage of a state income tax deduction and gift tax exclusion.

“Last year, Pennsylvanians saved nearly \$13 million on their state income taxes as a result of investing in a PA 529 plan,” said Treasurer McCord. “This is a win-win for Pennsylvania parents – save for your child’s or grandchild’s future with a Pennsylvania 529 College Savings Program account and save money on your state taxes.”

Families can deduct up to \$13,000 per beneficiary in contributions from Pennsylvania taxable income on their state tax returns for 2010. Married couples filing jointly can deduct up to \$26,000 per Beneficiary if each spouse has taxable income of at least the amount deducted.

The Treasurer also highlighted the gift tax exclusion – a tremendous benefit for grandparents or family members who are able to contribute a larger amount to a loved one’s PA 529 account. Family and friends can contribute up to \$65,000 in a single year (\$130,000 for a married couple filing jointly) for each Beneficiary without incurring federal gift tax consequences (assumes no other gifts in the next four years).

The tax advantages don’t stop there, said Treasurer McCord. Funds in a PA 529 account are not subject to yearly taxes as they grow, and, if used for qualified expenses, such as tuition or room and board, funds are tax-exempt when withdrawn.

Sponsored by the Commonwealth of Pennsylvania and administered by the McCord Treasury, the Pennsylvania 529 College Savings Program offers two distinct 529 plans to meet the needs of nearly anyone who wishes to save for college – the PA 529 Guaranteed Savings Plan and the PA 529 Investment plan.

The primary difference between the two plans is the way savings grow. In the PA 529 GSP, growth is tied to the rate of college tuition inflation, and in the PA 529 IP, investment returns are determined by the performance of financial markets and investment fund portfolios. Both plans provide important tax benefits, such as tax-free growth and withdrawals if used for qualified higher education expenses like tuition, books and supplies.

Families ready to make the college savings commitment will enjoy free enrollment – a \$50 savings – when they open a new PA 529 Guaranteed Savings Plan account before December 31. There is no enrollment fee for the PA 529 Investment Plan.

To contribute to or open an account, please visit www.pa529.com or call 1-800-440-4000.

###

The Pennsylvania 529 College Savings Program sponsors two plans – the Guaranteed Savings Plan and the Investment Plan. The guarantee of the PA 529 Guaranteed Savings Plan (GSP) is an obligation of the GSP Fund, not the Commonwealth of Pennsylvania or any state agency. Please read the disclosure statements by visiting www.pa529.com or calling 1-800-440-4000 to learn more about the plans including investment objectives, risks, fees, and tax implications.