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News Release

**FOR IMMEDIATE RELEASE:**

May 28, 2009

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## **ON “529 DAY” TREASURER McCORD ENCOURAGES PARENTS TO SAVE FOR COLLEGE, DESPITE TOUGH ECONOMY**

*Highlights a Pennsylvania 529 plan as a lower-risk way to progress towards savings goals*

**HARRISBURG** – Pennsylvania Treasurer Rob McCord encourages Pennsylvania families to use “529 Day” – Friday, May 29 – as a reminder about the importance of saving for college in any economic climate. Families should take the time to think about college savings and explore the resources provided by the nowU Pennsylvania 529 Guaranteed Savings Plan (GSP), said Treasurer McCord, a lower-risk way to keep pace with rising college costs.

“Saving for college is a daunting concept for many families – now more than ever during the current recession – but with the proper planning and saving, parents can put the cost of college within reach,” Treasurer McCord said. “Save regularly and in whatever amount you can afford, because each dollar saved now is one less to pay back, with interest, on a student loan.”

The GSP is a prepaid tuition plan that allows families to purchase credits at today’s prices and use them to pay for college tomorrow – no matter when, or how much tuition rises in the meantime. Families saving through the GSP receive tax-deferred growth on earnings and tax-free withdrawals when funds are used for qualified educational expenses. Pennsylvania taxpayers can also deduct contributions to a GSP account up to \$13,000 per beneficiary per year from their taxable income.

“Parents need to identify ways to get the most bang from their savings buck, and the GSP helps them keep pace with the rising cost of tuition and lower their taxes,” Treasurer McCord said. “It’s easy to set up, contribute to, and use your funds to pay for higher education expenses.”

Pennsylvania also offers a second 529 plan, the nowU Pennsylvania 529 Investment Plan, in which returns are based on performance of the financial markets. The Investment Plan gives college savers the flexibility to choose from among 13 investment options from Vanguard, one of the nation’s largest financial services companies. Families saving in the Investment Plan also receive the same great tax advantages as those saving with the GSP.

For more information go to [www.nowU529.com](http://www.nowU529.com) or call 1-800-440-4000.

*Pennsylvania Treasurer Rob McCord is committed to managing the Commonwealth's assets for the benefit of all Pennsylvanians. A respected business leader, McCord is focused on **strengthening the state's economy, enhancing the financial security of Pennsylvanians, and increasing the efficiency and transparency of the Treasury.** To learn more about Treasurer McCord's initiatives and programs, please visit the Pennsylvania Treasury Department at [www.ptreasury.org](http://www.ptreasury.org).*

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