



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

For Immediate Release: August 1, 2006

Governor and Treasurer Announce
Oklahoma College Savings Plan Improvements
Contribution Deadline Extended, Investment Options Expanded

OKLAHOMA CITY – Governor Brad Henry and State Treasurer Scott Meacham today announced the extension of the deadline for contributions to the Oklahoma College Savings Plan, Oklahoma’s 529 Plan, to April 15th to qualify for a state tax deduction. The change in law, proposed by Treasurer Meacham and signed by Governor Henry, allows contributions made to an Oklahoma College Savings Plan account by April 15th to be deducted on the preceding year’s return.

“With the beginning of school just around the corner, we thought it would be a great time to remind parents about the many benefits of the Oklahoma College Savings Plan,” Henry said. “It’s never too early to begin saving for your child’s education.”

Oklahoma taxpayers who open an account by April 15, 2007, may qualify for a state tax deduction of up to \$10,000 per individual and up to \$20,000 for taxpayers filing jointly on their 2006 returns. The law also provides a carry forward for excess contributions for up to five years. The Oklahoma College Savings Plan is the only 529 plan with an Oklahoma income tax deduction.

“We hope to provide further flexibility and incentive for Oklahoma residents to save for college by extending the tax deadline,” Henry said. “We encourage more Oklahomans to take advantage of Oklahoma College Savings Plan accounts to plan ahead and make college more affordable.”

Along with the extension of the tax deadline, Meacham announced the addition of three investment options, bringing the total number of investment choices up to six. The new options include:

- **Diversified Equity Option** - Contributions are invested in a combination of equity, equity index and real estate mutual funds. This investment option may be a good choice for those that can tolerate greater risk and volatility in exchange for higher returns over time.
- **Balanced Option** - Contributions are invested between equity, real estate and fixed income mutual funds. The investment objective is to provide a balanced approach to reduce risk and volatility associated with equity and real estate markets.

(more)

- **Fixed Income Option** - Contributions are invested between bond and inflation-linked bond mutual funds. The investment objective is to provide the opportunity for favorable long-term total returns through current income, while maintaining the goals of preserving capital and providing a degree of protection from inflation.

“We have worked hard to ensure that we provide Oklahoma residents with a premier college savings plan,” said State Treasurer Scott Meacham. “Along with the state tax deduction, these latest improvements make the Oklahoma College Savings Plan, by far, the best way to save for college in Oklahoma.”

The Oklahoma College Savings Plan is a state-sponsored, tax-advantaged 529 college savings plan administered by TIAA-CREF Tuition Financing Inc. An Oklahoma College Savings Plan account can be used to cover tuition and other qualified college expenses such as books, room and board at colleges or universities in Oklahoma and across the nation.

Introduced in April 2000, the Oklahoma College Savings Plan currently has more than \$187 million in total assets. The current number of accounts has surpassed 30,000.

Key advantages of an Oklahoma college savings account include:

- **State Income Tax Deduction** - The Oklahoma College Savings Plan is the only 529 Plan where contributions may be deducted from Oklahoma state taxable income. Contributions of up to \$10,000 per taxpayer or \$20,000 for couples filing jointly can be deducted from income for calculating Oklahoma income tax. Contributions made by April 15 may be deducted on the preceding year’s return.
- **Tax-Free Growth and Withdrawals** - Contributions to an Oklahoma College Savings Plan account grow free from federal and Oklahoma income taxes. Withdrawals used for qualified expenses, including tuition, room and board, are free of both federal and Oklahoma income taxes.
- **Choice of Investment Options** – The Oklahoma College Savings Plan offers six investment options that vary in investment strategy and degree of risk. The Managed Allocation (also known as an “aged-based” investment option), 100% Equity, Guaranteed, and the newly added Diversified Equity, Balanced and Fixed Income Options are designed to meet higher education savings needs and goals.
- **Low Expenses** - The annual rate of the asset-based management fees currently range from 0.76 percent to 0.78 percent of average daily net assets, depending on the investment option.

Help with setting up a college savings plan account is available at www.ok4saving.org or by calling toll-free 877-654-7284.

For more information contact:

Tim Allen, Deputy Treasurer for Policy and Administration, (405) 522-4212
Paul Sund, Governor’s Communications Director, (405) 522-8819