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The Treasurer's Report
By State Treasurer Scott Meacham

Governor Henry has declared September to be Oklahoma College Savings Plan Month in the state of Oklahoma. As chairman of the Oklahoma College Savings Plan, I asked the governor to make this declaration to highlight the tremendous college savings opportunity the Oklahoma College Savings Plan offers Oklahoma families.

Oklahoma families now have even more incentive to start saving for their children and grandchildren's college education costs. We have made big changes in the state tax deduction for contributions to the Oklahoma College Savings Plan.

State taxpayers can now deduct up to \$10,000 per year from their Oklahoma income for contributions to Oklahoma's 529 Plan. Couples filing jointly can deduct up to \$20,000 per year. The previous annual limit was \$2,500 per contributor per account.

The bill allowing the increased deduction was approved in the final days of the legislative session. In addition to expanding the tax deduction, the measure creates a five-year carry forward provision. Contributions not deducted in the year they were made can be carried forward as a deduction any time over the succeeding five years. This means larger lump sum contributions will be able to be deducted up to \$120,000.

When he signed the bill into law, Governor Brad Henry stated that this expansion of the tax deduction is a big win for all Oklahoma families saving for college. The governor said these changes should encourage more Oklahomans to establish accounts for their children or increase the contributions they have been making to existing accounts.

The governor is right. With rising college expenses, parents need to start saving early, and this program helps them do that.

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This expanded tax deduction makes the Oklahoma College Savings Plan the absolute best way to save for college education costs. Not only can Oklahomans claim a tax deduction for their contributions, but all of the future growth in the account is free of state or federal tax. I would encourage every Oklahoma family to take advantage of this tax benefit and open an account today. For current account owners, this is a great time to increase your contributions to get full benefit of the tax break.

Currently the Oklahoma College Savings Plan has more than \$130 million in total assets, an increase of 13 percent since the end of last year. The current number of accounts has grown to more than 26,000, representing a seven percent increase from year-end.

Information about the Oklahoma College Savings Plan is available at www.ok4saving.org or by calling 1-877-654-6284. Features like payroll deduction, automatic contribution via a personal checking or savings account, online enrollment and online account access are available.

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