



FINANCIAL SERVICES
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SAVING FOR COLLEGE JUST GOT EASIER WITH THE MISSISSIPPI AFFORDABLE COLLEGE SAVINGS PROGRAM (MACS)

One of the most important and costly expenses facing families today is how to plan for and fund higher education costs. If the current national trend remains, higher education-related costs will continue to rise significantly in the coming years. Over the past decade, tuition & fees have risen at an average rate of 6.9% at 4-year public colleges and over 5.7% at private 4-year colleges. [*Trends in Higher Education (2005), The College Board, NY, NY.*]

These rising costs have made it increasingly difficult for parents to save sufficiently. In response to this, a number of states across the country, including Mississippi, have introduced higher education savings programs, known as Section 529 Programs, which offer attractive tax advantages and flexibility. The **Mississippi Affordable College Savings Program (MACS)** offers families an easy and affordable way to better prepare for funding future education expenses.

We are pleased to [(ANNOUNCE THE ADDITION)(REMIND YOU ABOUT THE AVAILABILITY)] of the **MACS** as one of the payroll deduction benefits available to you as an employee of [EMPLOYER NAME]. Employees can elect to contribute on an after tax basis to the plan via payroll deduction, contribute individually on their own or a combination of both.

The MACS is managed by TIAA-CREF Tuition Financing, Inc. (TFI), a recognized leader in providing program management for Section 529 college savings plans.

Key features of the Mississippi Affordable College Savings Program include the following:

TAX ADVANTAGES

- ▶ **Mississippi State Income Tax Deduction Advantage** – Contributions made to MACS by Mississippi taxpayers are deductible for state income tax purposes up to \$10,000 per year per taxpayer or \$20,000 for individuals filing a joint return.
- ▶ **Tax-Deferred Earnings** – Contributions can grow free from federal and Mississippi state income tax. Through the power of compounding, the money you save in a tax-deferred account can provide greater potential for growth.
- ▶ **Tax-Free Qualified Withdrawals** – The earnings portion of withdrawals used for qualified higher education expenses are free of both federal and Mississippi state income tax.
- ▶ **Estate and Gift Tax Benefits** – If you are interested in estate & gift tax planning, you may also find the MACS attractive. Not only are you able to accelerate tax-free gifting from your estate, you maintain control of the money.

FLEXIBILITY

- ▶ **Choice of Schools** – Funds can be used to pay for tuition, fees, certain room and board costs, books/supplies and equipment required for enrollment or attendance at colleges, universities or other post secondary institutions nationwide as well as abroad.
- ▶ **No Income Restrictions or Annual Contribution Limits** – Anyone (parents, grandparents, relatives or friends) at any income level can contribute to MACS. MACS has no annual maximum contribution limit as long as the aggregate contributions to all accounts held for the same beneficiary do not exceed the lifetime maximum of \$235,000.
- ▶ **Transferability** – Should the beneficiary decide not to attend college or has other funding options, the funds within MACS can be transferred to certain other family members of the beneficiary including siblings, spouses, cousins and even possibly yourself.

INVESTMENT OPTIONS

- ▶ Currently MACS offers a range of investment choices. These choices vary in their investment strategy and degree of risk, allowing you to select an investment option or combination of investment options that best fits your individual needs, investment philosophy and risk tolerance. For additional information about each investment option, visit the website at www.collegesavingsms.com or request an Enrollment Kit by calling **800 486-3670**.

The Program Disclosure Booklet should be read carefully before opening an Account.

HOW TO ENROLL AND CONTRIBUTE

- Enroll Online:** For a fast and convenient way to enroll, simply visit the MACS website at www.collegesavingsms.com and enroll directly online. *See below for contribution options.*

- Enroll By Mail:**

- ▶ Request a MACS Enrollment Kit by calling **800 486-3670**.
- ▶ After carefully reading the MACS Disclosure Booklet and reviewing the materials within the Enrollment Kit, determine a contribution plan. *See below for contribution options.*
- ▶ Complete, sign and return the MACS account application, together with the initial contribution and instructions for ongoing contributions (if applicable), in the postage-paid envelope provided.

- Initial and Ongoing Contributions:** There is a \$25 minimum initial contribution required to open a MACS account. Initial contributions as well as subsequent contributions can be made in a variety of ways: via personal check, electronic funds transfer, or an automatic contribution plan from your checking or savings account.

For payroll deduction, the minimum initial and subsequent contributions to MACS may be as little as \$15 per pay period. Simply complete and sign the MACS Payroll Deduction Form included in the Enrollment Kit. Completed Payroll Deduction Forms should be mailed to MACS and a copy should be provided to your payroll department.

- Payroll Deduction:** To participate in MACS payroll deduction, complete the Payroll Deduction Form. Use only one Form to allocate your payroll contributions for all Accounts and/or Investment Options. Mail the original Form and Account Application to MACS and submit a copy of the Form to your payroll department.

Call toll-free 800 486-3670 or visit www.collegesavingsms.com

Consider the investment objectives, risks, charges and expenses before investing in MACS. Please visit www.collegesavingsms.com for a Disclosure Booklet containing this and other information. Read it carefully.

Before investing in a 529 plan, you should consider whether the state you or your Beneficiary reside in, or have taxable income in, has a 529 plan that offers favorable state income tax or other benefits that are only available if you invest in that state's 529 plan.

The tax information contained herein is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. It was written to support the promotion of MACS. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

The State of Mississippi, its agencies, the Board of Directors of the College Savings Plans of Mississippi, TIAA-CREF Tuition Financing, Inc., Teachers Insurance and Annuity Association of America and its affiliates do not insure any Account or guarantee its principal or investment return (except for the guarantee of TIAA-CREF Life Insurance Company to the Mississippi Affordable College Saving Trust Fund under the Funding Agreement for the Guaranteed Option). Account value will fluctuate based upon a number of factors, including general financial market conditions.

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