



Utah Educational  
Savings Plan™

## News Release

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### **Saving for College Becomes Even More Attractive**

(Salt Lake City, Utah) – Congress has made the federal tax exemption for section 529 college savings plans permanent, as part of the recently approved Pension Protection Act (H.R.4). This means that withdrawals for qualified college expenses from 529 plans, such as the Utah Educational Savings Plan (UESP), taking place on or after January 1, 2011, will continue to be tax exempt. The tax exemption was set to expire after December 31, 2010.

“Once the president signs this act, families who are saving, or thinking about saving for college with UESP, will know that their account will not be subject to federal taxes when they use the money for college,” says Lynne Ward, UESP Director. “We applaud Utah’s congressional delegation for providing an important tax incentive for Utah families to start saving for college.”

“It is good to know that when my grandchildren reach college-age, the dollars I have saved for their higher education expenses will be exempt from federal taxes,” says Gwen Wardle, of Midvale, Utah, who is saving for her grandchildren with UESP. “This will make my UESP college savings go further.”

UESP, Utah’s 529 college savings program, makes it a cinch to start saving for college. UESP requires no minimum deposits or balances, so families can save a little or a lot, according to their own schedules. UESP currently has over 77,000 accounts and is managing more than \$1.5 billion. Since January 1, 2006, UESP’s assets under management have grown over 21 percent. UESP offers favorable federal tax benefits, gift tax benefits, and, for Utah taxpayers, Utah state tax benefits and reduced fees. UESP does not require funds to be used within the state of Utah, but does require that the school participates in federal student financial aid programs. To learn more about UESP, call 1.800.418.2551 or visit [www.uesp.org](http://www.uesp.org).

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#### **Disclosures**

Investments in UESP are not guaranteed by any state or federal agency. You could lose money.

Read the Program Description for more information and consider all risks, objectives, and expenses before investing. Call 1.800.418.2551 for a copy of the Program Description, or visit [www.uesp.org](http://www.uesp.org).

Non-Utahns should check their and their beneficiary’s state’s 529 plan for state tax or other benefits not offered through UESP.

The earnings portion of a nonqualified withdrawal is subject to federal income tax, any applicable state tax, as well as an additional 10 percent federal penalty tax.