



CALIFORNIA STATE TREASURER BILL LOCKYER

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Treasurer Lockyer Announces Addition of FDIC-Insured Portfolio to ScholarShare College Savings Plan

Bank Deposit Portfolio Provides Conservative Option to California's 529 Plan

SACRAMENTO – State Treasurer Bill Lockyer today announced the addition of the Federal Deposit Insurance Corporation (FDIC)-insured Bank Deposit Portfolio to the ScholarShare College Savings Plan, giving investors another conservative option when investing in California's official 529 plan. The portfolio is now available to investors at www.scholarshare.com.

“Saving early for college is critical to ensuring a successful future for our children,” said Lockyer, Chair of the ScholarShare Investment Board. “The addition of the Bank Deposit Portfolio broadens the options offered to ScholarShare investors. Parents and families who use it for their children's education will get the tax advantages that come with a 529 plan and the added guarantee that comes with an FDIC-insured product.”

Funds deposited into the Bank Deposit Portfolio are insured up to \$250,000, per FDIC rules, allowing parents and families who use the product to save for their children's higher education expenses with a secure, interest-bearing account that provides the tax advantages of a 529 plan. For more information about ScholarShare and the Bank Deposit Portfolio, visit www.scholarshare.com.

As Treasurer, Lockyer serves as chairman of ScholarShare's governing board. Named for the section of IRS code under which they were created, 529 plans are highly regarded for their tax-advantaged status. Earnings on investments grow tax-deferred, and disbursements, when used for tuition and other qualified higher education expenses, are federal and state tax-free.

ScholarShare accounts may be opened online with as little as \$50, or \$15 when combined with regular, automatic contributions of at least \$15 per month. ScholarShare has no annual account maintenance fee, no income limit and offers a high maximum contribution limit of \$320,000 (\$350,000 effective September 30, 2010). The program currently holds more than \$3.7 billion in assets with more than 273,000 accounts opened since inception. For information about ScholarShare's governing board, visit www.treasurer.ca.gov/scholarshare. Follow us on Twitter at [#ScholarShare529](https://twitter.com/ScholarShare529).

The ScholarShare College Savings Plan is administered by the ScholarShare Investment Board (SIB), an agency of the State of California. Fidelity Investments serves as ScholarShare's investment manager. The money deposited into ScholarShare accounts is not guaranteed by the SIB, Fidelity Investments, or the state government. Additionally, none of these entities guarantee ScholarShare account holders will earn a return on their investment. ScholarShare investments are municipal securities and may be subject to market volatility and fluctuation.

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