



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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Contact: Marc Lifsher
(916) 653-2995

ScholarShare officials applaud new federal rules allowing for computer purchases with 529 plan college savings

Previously, computers counted as qualified expense only if required by college

SACRAMENTO – [ScholarShare](#) today praised a “common-sense measure” approved by Congress that will allow families to save tax-free for a computer used for college.

Previously, computer and related technological purchases counted as eligible 529 plan expenses only if explicitly required by the college a student attended. Now, a computer qualifies whether a college requires students to have one or not.

“Computers are virtually indispensable to today’s students, and this common-sense measure will help ensure 529 plans such as ScholarShare remain as affordable, effective and versatile as possible to help families achieve their higher education goals,” said State Treasurer John Chiang.

The new rule stipulates that the student – not the family – must be the primary user of the computer. It also allows payments from 529 plans to go toward peripheral equipment, computer software and Internet access.

The change was part of a broader measure that also enhanced 529 plans by allowing students to redeposit funds back into a plan within 60 days without penalty if they need to withdraw from a class.

The enhancements were included in H.R. 529, which passed the House in February, and S. 335, which the Senate approved this past Friday, December 18, 2015.

“Parents are becoming increasingly committed to saving for college, and these changes further improve 529 college savings plans, which have proved to be a successful way for families to manage higher education costs,” Chiang added.

The plans – which are named after the section of the Internal Revenue Code that created them in 1996 – allow families to set aside funds for future college costs. They are usually savings plans, such as ScholarShare, that offer a number of investment options.

ScholarShare, which is managed by TIAA-CREF Tuition Financing Inc. on behalf of the California State Treasurer’s Office, can be used at any eligible college, university or trade school in the nation and some abroad for a variety of qualified higher education expenses.

To sign up for an account or for more information about the plan, visit www.scholarshare.com or call 1-800.544.5248. For information about the ScholarShare Investment Board (SIB), visit

www.treasurer.ca.gov/scholarshare. Like ScholarShare on Facebook at www.facebook.com/scholarshare529 and follow us on Twitter at [@ScholarShare529](https://twitter.com/ScholarShare529).

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