



CALIFORNIA STATE TREASURER BILL LOCKYER

NEWS RELEASE

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Contact: Joe DeAnda/916.653.2995

Treasurer Lockyer Announces New Program Manager for California's 529 College Savings Plan *ScholarShare Will Offer Lower Fees, More Choice with TIAA-CREF*

SACRAMENTO – State Treasurer Bill Lockyer announced TIAA-CREF Tuition Financing (TFI) today became program manager for ScholarShare, California's 529 college savings plan, a move that strengthens ScholarShare by giving families lower management fees, additional investment options and an improved website.

"We're excited about the benefits California families will receive with TFI managing ScholarShare," said Lockyer, chairman of the ScholarShare Investment Board (SIB). "The improvements will make saving for college cheaper, easier and more effective. The importance of a college degree continues to grow, but tuition and other costs are rising right alongside. To set aside money to pay those costs, families need the strongest possible tools. ScholarShare is one of those tools, even more so with TFI at the helm."

"We are pleased to work closely with the ScholarShare Investment Board," said Doug Chittenden, TIAA-CREF senior vice president and head of TFI. "We look forward to serving Californians saving for college by offering them a well-diversified plan with low-cost investment options and a variety of educational tools."

After soliciting bids, the SIB unanimously selected TFI in June to replace Fidelity Investments as ScholarShare's program manager.

Existing account holders have been informed of the switch and ScholarShare's new, improved features. Account holders are not required to take any action. Their assets automatically will be transferred to a similar investment product with the option to change investment products once per calendar year.

The new ScholarShare plan will offer 19 investment portfolios, compared to 15 under Fidelity. Annual asset-based fees will range from .18 percent to .62 percent, compared to .25 percent to 1.06 percent under Fidelity.

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New online tools include a more user-friendly, easy-to-navigate website, and a mobile site that allows account access from smartphones. Prospective account holders can use the website to get information about the plan, use a calculator tool to estimate savings goals and sign up for a new account. Existing account holders can use the website to manage their account, make additional contributions, change or add investment options and enroll in automatic payroll deductions, among other options.

Named for the section of IRS code under which they were created, 529 plans are highly regarded for their tax-advantaged status. Any earnings on investments grow tax-deferred. Withdrawals, 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 \$25. ScholarShare has no annual account maintenance fee, no income limit and offers a high maximum contribution limit of \$350,000. The program currently holds more than \$4.3 billion in assets. More than 300,000 accounts have been opened since ScholarShare's inception. To sign up for an account or for more information about the plan, visit www.ScholarShare.com. For information about the SIB, visit www.treasurer.ca.gov/scholarshare. Follow ScholarShare on Twitter at [#ScholarShare529](https://twitter.com/ScholarShare529).

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