



The Office Of State Treasurer
Denise L. Nappier

News

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CHET RECOGNIZED AS ONE OF THE TOP FIVE 529 PLANS IN THE NATION BY SAVINGFORCOLLEGE.COM

HARTFORD, CT – Connecticut’s Higher Education Trust (CHET) has been recognized as one of the top five 529 college savings plans in the nation by Savingforcollege.com, a privately-owned company with a mission to help individuals, professional advisors and providers understand how best to meet the challenge of paying higher education costs.

In a comparison of industry peers, Savingforcollege evaluated 50 college savings plans across the U.S. Among the high points of its assessment of CHET Direct, the company’s website singled out three program features of note: age-based portfolios, low fees, and CHET Baby Scholars, a program that provides both seed and matching funds to babies across the state.

Savingforcollege.com notes CHET Direct’s high ranking with a “Top Ten” symbol next to the listing on its website. CHET ranks fourth in the top ten performing 529 college savings plans for one-year performance, based on Savingforcollege.com rankings through September 30, 2017.

The total assets under management for the CHET Direct program through November 30 were \$2.96 billion, a 17.1 percent increase over the same time last year. CHET Direct is one of the top twenty plans in the nation in terms of assets under management, achieving an average rate of growth of 9.7 percent since 2013.

CHET also has experienced a 4.8 percent increase in new accounts year over year through November. The CHET Direct plan ranks 12th in the nation among all direct-sold plans in terms of average account size, at a \$24,800 average per account. It has experienced strong growth rate in new accounts over the past three years, at more than six percent.

CHET Baby Scholars gives the family of every baby born in Connecticut the chance to claim \$100 for deposit into a 529 college savings account by the child’s first birthday or within the first year after an adoption. Families that save an additional \$150 in the first four years will receive a state match of \$150, for a total of \$250 in state funds.

Since its launch in 2014, at the recommendation of Gov. Dannel Malloy, the CHET Baby Scholars program has enrolled more than 6,400 babies and sent \$1.56 million to their

CHET accounts. Those accounts have grown to more than \$18 million in assets, a positive trend for families starting early to be better prepared when their children are ready to head to college.

The program has one of the highest enrollment rates for newborns compared to similar initiatives in other states, and has emerged as a model for other states looking to build their Children's Savings Account (CSA) programs.

CHET's three age-based options seek to match the account owner's investment objective and level of risk with their individual investment time horizon, based on the beneficiary's age and the number of years before they are expected to start college.

Individuals can open a CHET account with as little as \$25 per investment option, or \$15 dollars per pay period using automatic payroll deduction.

About CHET

The Connecticut Higher Education Trust (CHET) direct-sold college savings plan was established in 1997 and has enjoyed steady growth, surpassing \$2.9 billion in assets under management and more than 116,000 accounts. Since CHET's inception, more than \$1.6 billion in qualified withdrawals have been taken to cover college costs for approximately 47,000 students attending nearly every public and private college in Connecticut and several out-of-state schools.

The State of Connecticut offers CHET to help families save for future college costs. Funds deposited into a CHET account have tax advantages and can be used at accredited colleges and universities across the country, including vocational and technical schools, and some colleges abroad.

Connecticut residents are allowed to deduct 529 contributions from their state income taxes – up to \$5,000 for an individual or up to \$10,000 for a married couple filing jointly. Investment earnings are exempt from state and federal taxes if used for qualified educational expenses.

The CHET direct-sold plan is administered by the Office of Connecticut State Treasurer Denise L. Nappier, and managed by TIAA-CREF Tuition Financing, Inc. For more information about CHET Direct, visit www.aboutchet.com or call the customer service center at (866) 314-3939. Find us on Facebook (facebook.com/CHETcollegesavings) or follow us on [Twitter \(@CHET529\)](https://twitter.com/CHET529).

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