



State of Tennessee

David H. Lillard, Jr., State Treasurer

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Treasurer Lillard Celebrates National College Savings Month by Announcing Scholarship Giveaways

A Tennessee program that allows people to set aside money for children's college expenses was recently ranked among the nation's best performing by a national advocacy group. Now, two lucky Tennessee families will join the program with account balances started by the state.

At an event at Stewarts Creek Middle School in Smyrna on Friday, State Treasurer David H. Lillard, Jr. announced that TNStars, the state's 529 college savings plan, will be awarding TNStars plans with opening account balances of \$5,290 to two families whose names will be randomly selected this fall from entries in two contests.

TNStars is a "529 program," so named after the section of the Internal Revenue code which allows people to save money and earn investment income for college expenses while enjoying certain tax advantages.

TNStars, a program administered by the Tennessee Treasury Department, allows people to invest money in a number of different financial options ranging from conservative to aggressive. One of them is an age-based option that features more aggressive investments when children are younger that become more conservative as children approach college age. Money can be withdrawn from TNStars accounts tax-free, provided it is used for qualified higher education expenses.

In the contests, all Tennessee families with elementary and middle school age children may compete for the scholarship money. To become eligible, children in kindergarten through second grade must participate in a coloring contest sponsored by TNStars. Children in third through eighth grades must complete a fun online interactive guide about the importance of saving money in order to become eligible. Entry instructions are available at www.tnstars.com.

Contest entries will be received through Oct. 31. After that date, a winner from each category will be randomly selected to receive the funding.

Students at Stewarts Creek viewed the tutorial Friday.

“Since September is College Savings Month, it is a very appropriate time to launch these contests,” Treasurer Lillard said. “It is important that families make plans to start saving money for college while their children are still young. Setting aside even small amounts of money can make a big difference over time, particularly when you factor in the income earned on investments. TNStars is celebrating its second anniversary this month with a total investment in the plan of \$20 million. We are excited to continue to offer families an easy way to save and invest their money for future college expenses.”

The website, SavingforCollege.com, released a report this summer in which TNStars ranked in the top 10 plans for investment performance over the last year. (A link to the rankings can be found at http://www.savingforcollege.com/articles/2014-plan-performance-rankings-q2-330?sfc_source=SFC_intromain&sfc_medium=SFC_intromain&sfc_campaign=SFC_intromain_performance2014q1.)

Tennessee families can receive financial incentives of up to \$375 for enrolling in TNStars, for rolling over account balances from other 529 plans, for setting up automatic contributions from bank savings or checking accounts, and - for parents of newborn children - for completing an online interactive guide about saving for college.

To learn more about the program and the available incentives, visit www.tnstars.com.

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