

## **2006 Pension Protection Act - Sec. 529 Qualified Tuition Programs Extended**

The Pension Protection Act of 2006 (Pension Act) includes a provision to permanently extend Qualified Tuition Programs (QTPs). These programs allow you to set aside substantial sums of money that can grow tax-free to provide for your children's or grandchildren's college or other post-high school education. Contributions can be made to Education Savings Accounts or you can participate in state-sponsored programs in your state that allow you to buy pre-paid tuition credits for use at specified schools in your state.

The ability to contribute to or participate in QTPs was previously scheduled to expire on December 31, 2010. Thus, saving for your children's or grandchildren's under these programs had to be completed by the end of 2010. No further contributions to such programs would have been allowed, starting in 2011.

Your financial situation suggests that you are or may be in a position to take advantage of QTPs. Therefore, although the Pension Act may have no immediate effect on your college savings plans, the permanent extension of these plans may allow you to contribute more than you had originally planned, or to spread out the amount you planned to contribute beyond 2010, thus easing any burden you may experience as a result of having to make all of your tax-favored savings deposits for college within a relatively short period of time.

Please call us at your earliest opportunity if you would like to discuss your plans for saving for your children's or grandchildren's educational future, or if you would like additional information about these college savings programs.