



STARTing Line

3rd Quarter 2012

Volume 5-3

Rule change allows START funds to be used at more institutions

On July 18, 2012 the Louisiana Tuition Trust Authority (LATTA) approved an emergency rule changing the definition of "Eligible Educational Institution." The new definition is, either:

- a. a state college or university or a technical college or institute or an independent college or university located in this state that is approved by the U.S. Secretary of Education to participate in a program under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1088), as amended; or
- b. a public or independent college or a university located outside this state that is approved by the U.S. Secretary of Education and eligible to participate in a program under

Title IV of the Higher Education Act of 1965 (20 U.S.C. 1088), as amended; or

- c. a Louisiana licensed proprietary school, licensed pursuant to R.S. Chapter 24-A of Title 17, and any subsequent amendments thereto and is eligible to participate in a program under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1088), as amended.

With the rule change in place, START funds can now be used not only at in-state and out-of-state institutions, but also those foreign institutions that have been approved by the U.S. Secretary of Education to participate in a Title IV Program.

Parents of 8-12 grade students in Louisiana - Are you concerned about college costs? Trying to decide which college fits your budget best? Be sure to check out the College Cost Estimator at www.louisianaconnect.org.

Here you can calculate the estimated costs of your college degree at various institutions based on your individual circumstances and compare them to make the best choice for your future.

Log on today to learn more about this great tool! For help logging on to LouisianaConnect, see page 3 of this newsletter.

College Cost Estimator

Step 4: Cost Gap Results

[Add a College](#)

	Northwestern State University of Louisiana 	University of Louisiana at Monroe
Tuition & Fees	\$12,126.00	\$11,925.00
Room & Board	\$7,070.00	\$2,895.00
Books & Supplies	\$1,200.00	\$1,200.00
Extra Expenses	\$0.00	\$0.00
▲ Annual Costs	\$20,396.00	\$16,020.00
▼ Annual Awards	\$0.00	\$0.00
Yearly Cost Gap	\$20,396.00	\$16,020.00
Estimated Total Cost Gap	\$81,584.00	\$64,080.00

[Add a College](#)

▼ Paying For College Guide

Overview

Understand Financial Aid

Applying For Financial Aid

Compare Costs

Find Money

Glossary

This guide will help you understand the whole process of learning about, applying, and finding financial aid. Review the glossary for help on financial aid terms.

Welcome back **John!**

Worried about how you'll pay for college? You are not alone!

College may seem really expensive - and sometimes it is - but we've got some tools for you to figure out how much you are really going to pay, how you are going to pay for it, and how you can bring the cost down.

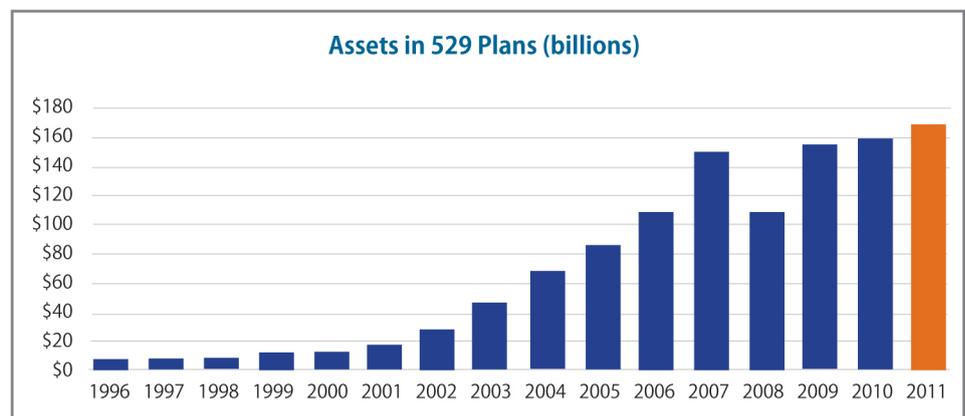
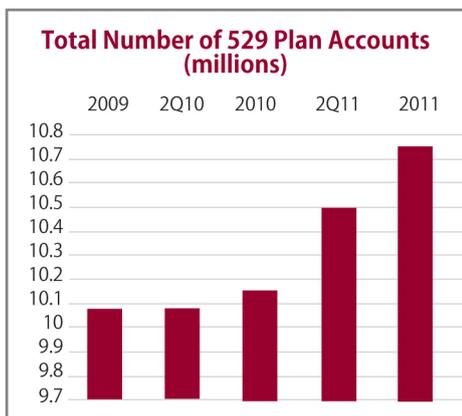
Finding as much as you can about qualifying for financial aid early in this process is going to be a big help.

Follow these basic steps and you will be armed with all the information you need to survive paying for college.

- 1 Learn about Financial Aid and Determine your Expected Family Contribution (EFC)
- 2 Fill out financial aid forms
- 3 Compare the costs
- 4 Find the money

[Begin](#)

Proposed bill aims to make saving for college more accessible for low and moderate income families



The Need: H.R. 529

States have worked with Congress over the years to make college more accessible through 529 college savings plans. In 2006, Congress made permanent the tax exemption on earnings used for qualified education expenses, bringing certainty to millions of families and encouraging even more to plan and save for college.

Today, states seek to make saving for college in 529 plans even easier, more useful, and more affordable. Through the College Savings Plans Network (CSPN), states and their private sector partners have worked with Congress on four changes that will enhance the effectiveness and versatility of these plans for American families. H.R. 529 was introduced on February 8, 2011 by Rep. Lynn Jenkins (R-KS) and Rep. Ron Kind (D-WI) and seven of their colleagues in the House of Representatives.

Extend the current SAVER's Tax Credit to college savings

The bill would extend the SAVER's credit (currently for retirement contributions) to contributions to 529 plan accounts by the account owner. The SAVER's credit allows a nonrefundable federal tax credit to the contributor of up to \$1,000 for single filers or \$2,000 for joint filers. The eligibility for this credit is limited to those with income at or below \$28,750 single/\$57,500 married for 2012. This significant change will help make 529 accounts more accessible to all families and will increase college savings by families of low and moderate income levels.

Encourage employers to match employees' college savings

H.R. 529 allows employers to match employees' 529 contributions of up to \$600 per year, with the employee being allowed to exclude the employer match from gross income, much as they can exclude greater amounts (up to \$5,250) that employers provide to employees in existing

educational assistance plans. This would provide a valuable incentive for companies to assist their employees in saving for college. It could also fund a 529 account that could be used to help retrain an employee if they lose a job or need to develop new skills to keep a job.

Treat computers as an eligible college expense

The bill will make permanent the clarification that computers and related equipment are qualified expenses for 529 account funds. A two-year version of this was included in the American Recovery and Reinvestment Act of 2009.

Allow limited flexibility in investment direction

The bill would also codify and update a Treasury notice (Treasury Notice 2009-1), allowing account owners the opportunity to change investment direction up to four times a year, instead of the current once per year. Increased investment direction helps parents respond more effectively to market volatility.

About College Savings Plans Network (CSPN)

College Savings Plans Network (CSPN) is a leading voice for Section 529 College Savings Plans, one of the most popular, convenient and tax-advantaged ways to save for college. CSPN is a not-for-profit association affiliated with the National Association of State Treasurers (NAST) that brings together state administrators of 529 savings and prepaid plans as well as their private sector partners. CSPN's Web site, CollegeSavings.org, has information that families of all income levels can use to make informed college saving decisions, including a unique tool that allows users to compare details about all 529 plans.

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PARENTS – Get involved in your child’s college and career planning!

The Louisiana Office of Student Financial Assistance (LOSFA) is pleased to announce the launch of **LouisianaConnect**, a comprehensive college & career planning web portal available to all 8th - 12th grade students in the State of Louisiana. As a parent you can create an account to help your student through the process. You will also have access to LouisianaConnect’s full range of college & career exploration tools.

Counselors will be instructing students to activate their accounts in LouisianaConnect, so please encourage your child to get going right away!

Create Your Account Today:

1. Go to <https://louisianaconnect.org/>
2. On the right hand side of the page you will see an area to “Create An Account”
3. Enter the following information:

Student ID (School ID number - provided by the student’s school)

Student’s (your child) First Name

Student’s (your child) Last Name

High School (select from drop down list)

4. Select **Register**

5. Click

6. Complete the profile information and create a Username and Password.

With LouisianaConnect You Can:

- Track student progress against important college and career planning activities
- Search for colleges, compare costs and make recommendations to students
- Search for scholarships and make recommendations to students
- View your child’s Individual Graduation Plan (IGP)
- View your child’s career plan and explore occupation profiles
- Learn about college costs, need-based aid and other financial options
- Access your personal Communication Center where you can communicate with your child and receive important messages, alerts and event invitations

Your Username must be your email address

September is College Savings Month

According to the Louisiana Department of Revenue's 2011 Tax Exemption Budget document, "For the fiscal year that ended June 30, 2011, Louisiana families reduced their income tax liability by more than \$1.5 million through deductions for START accounts."

The College Savings Plans Network has been joined by more than 40 states in declaring September "College Savings Month".

Section 529 plans make it easy and affordable for the average family to plan ahead for the cost of college attendance and are available in 49 states and the District of Columbia. Across the nation, many activities are held during September to recognize the importance of saving for college.

To raise awareness of the Student Tuition Assistance and Revenue Trust (START) saving program, the state's Internal Revenue Service (IRS) sanctioned 529 college saving program, a statewide media tour is being organized by the program's administering agency, the Louisiana Office of Student Financial Assistance (LOSFA) and the Louisiana Department of the Treasury.

Louisiana's START saving program is an innovative college savings plan designed to help families contend with the growing costs of educating their children after high school. START offers many benefits including:

- **Earnings Enhancements:** the state actually matches a percentage of dollars saved, based on adjusted gross income
- **Tax Advantages:** earnings grow tax deferred and, when used to pay qualified higher education expenses, are not taxed by the state or federal government
- **Up to \$2,400 in deposits per beneficiary per year can be deducted from taxable income reported to the state (\$4,800 if the account owner is married and files a joint return). Account owners who deposit less than the maximum deductible amount in any one year may carry over the unused portion of the exemption to future years.**
- A variety of investment options are also available from very conservative to very aggressive.



"The purpose of our media tour is to impress upon parents the immediate need to begin saving for their children's college education," said LOSFA Executive Director Melanie Amrhein.

"Louisiana parents or guardians interested in sending their children to college should begin saving now, if only a few dollars a month," added Amrhein.

"That figure represents a significant personal investment by Louisiana families in the future education of their children," said Louisiana Treasurer John Kennedy. "This exemplifies exactly what the START program was designed to accomplish," he added. "If not for the START program, those dollars would have been paid in taxes without a guaranteed direct benefit to the families making the payments."

Amrhein, along with Treasurer Kennedy (or other Treasury officials) will travel to media outlets across the state during the month of September in an outreach effort on behalf of the START Saving Program. During the tour, the panel will inform parents and guardians of Louisiana children about saving for college, how to funnel dollars that would otherwise have been paid in taxes toward their children's education, and how to earn a financial return on their investments despite the nation's unstable economy.

"Many parents don't realize it, but if they start saving for college early enough, setting aside \$25 each month can completely cover the cost of an education at a public, four year university in Louisiana," Kennedy added.

For more information on the START Saving Program, visit www.startsaving.la.gov or contact LOSFA via email at custserv@la.gov or at 1-800-259-5626 or.



LOSFA's Social Media



<http://www.facebook.com/LOSFA>



<http://www.twitter.com/LOSFA>



<http://www.youtube.com/LOSFA1000>



www.Flickr.com/LOSFA

LOSFA



START
SAVING FOR COLLEGE

For more information, contact the
START Saving Program:

By Phone: 800-259-5626

By E-mail: start@startsaving.la.gov

By Mail: P.O. Box 91271, Baton Rouge, LA 70821-9271

Web Address: www.startsaving.la.gov

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