



STARTing LINE

3rd Quarter 2010

Volume 3-3

Upcoming changes to START investment options

START account owners can expect to see positive changes in the program next year. Beginning in January 2011, the program will have additional investment choices and account owners will be able to exercise more flexibility in selecting their funds and determining the percentages of the deposit placed into each fund. Funds in the existing investment options will remain in the individual funds in which they are currently invested. For instance, funds currently invested in the Balanced Option will remain 50% in the Principal Protection Fund and 50% in the Total Stock Market Index Fund (Institutional Shares). If an account owner does not specify different funds and/or percentages, new deposits will be allocated according to the last deposit distribution instructions.

The existing Age-Based Option will be renamed the Moderate Track Age-Based Fund and two more aggressive fund tracks for age-based investments will be added (See chart below). In addition, four new funds will be offered—a small cap equity fund (invested in medium capitalized companies), a mid cap equity fund (invested in medium capitalized companies), a large cap fund of predominately U.S. large-cap stocks diversified across growth and value styles (invested in companies with capitalization of at least \$5 billion), and the Total World Stock Fund, which as a broad exposure across developed and emerging equity markets around the world, including the U.S. The current Total Stock Market Index Fund (Institutional Shares) and the Total International Stock Index Fund will be retained.

Account owners will continue to have choice over investment of new deposits. Account owners can invest new deposits in one, several or all of the funds, provided the percentages are in whole digits and the total of all percentages equal 100 percent. Congress has limited changes of investments for existing deposits to one time per calendar year; therefore, account owners may only re-allocate existing investments once during the same calendar year.

START SAVING PROGRAM AGE-BASED RECOMMENDATIONS TO BE ADDED JANUARY 1, 2011

	Existing Moderate Track ¹ Choice A	New Growth Track ² Choice B	New Aggressive Track ³ Choice C
Ages 0 thru 5	Vanguard LifeStrategy Moderate Growth Portfolio (VSMGQ)	Vanguard LifeStrategy Growth Fund (VSGGX)	Ages 0 thru 8 Vanguard LifeStrategy Growth Fund (VSGGX)
Ages 6 thru 10	Vanguard LifeStrategy Conservative Growth Portfolio (VSCGX)	Vanguard LifeStrategy Moderate Growth Fund (VSMGQ)	Ages 9 thru 12 Vanguard LifeStrategy Moderate Growth Fund (VSMGQ)
Ages 11 thru 15	Vanguard LifeStrategy Income Portfolio (VSDQ)	Vanguard LifeStrategy Conservative Growth Fund (VSCGX)	Ages 13 thru 15 Vanguard LifeStrategy Conservative Growth Fund (VSCGX)
Ages 16+	Louisiana Principal Protection Portfolio	Louisiana Principal Protection Fund	Ages 16+ Louisiana Principal Protection

¹This is our existing Age-Based Option. Account Owners will be able to remain in their original choice.

²For this option we will add the LifeStrategy Growth Fund and remove the LifeStrategy Income Fund. Age breakouts will remain the same as the existing fund.

³The difference in Track 2 and Track 3 is the breakdown of the ages. The funds remain in the Growth Fund until Age 8, the Moderate Growth until Age 12 and the Conservative Growth from 13 thru 15. All three tracks transfer to the Louisiana Principal Protection at age 16.

Woman's Hospital to Distribute START Information to Families of Newborns

The Louisiana Office of Student Financial Assistance (LOSFA) announced today that Woman's Hospital in Baton Rouge will immediately begin enclosing information on the START Saving Program with other materials provided to the parents of newborns.

The innovative college savings program, created by the Louisiana Legislature in 1995 and implemented in 1997, qualifies under Section 529 of the Internal Revenue Code as a qualified college savings plan for both federal and state tax incentives.

"We are extremely pleased to have Woman's Hospital assist us in getting the word out about Louisiana's START Saving program," said LOSFA Executive Director Melanie Amrhein. "The earlier parents begin to save for their child's college education, the easier it will be for them to accumulate the funds that will be necessary when the time comes," she added.

Woman's is the 16th largest delivery service hospital in the United States and the largest in Louisiana with over 8,000 annual births.

Most START accounts are eligible to receive Earnings Enhancements (EE's), a contribution from the state that matches a percentage of annual deposits made by the account owner. The state match ranges from 2 to 14 percent, as determined by the account owner's prior year federal adjusted gross income.

Savings may be used to pay qualified expenses at any accredited college or university, in or out of state; at all Louisiana Technical College campuses; and at state-approved proprietary schools eligible for federal financial aid programs.

Designed to help make education affordable for all Louisiana students, START allows account owners to save in a conservative, interest-bearing account managed by the Louisiana Treasurer (the Louisiana Principal Protection Option) or in several equity investment options managed by the Vanguard Group, Inc. Owners may also choose a combination of both investment options.

START account owners who pay Louisiana income taxes may deduct their annual START deposits from the income reported on their Louisiana income tax forms, up to \$2,400 per account per year, or \$4,800 per beneficiary for married account owners who file jointly.

For more information, contact LOSFA at 1-800-259-5626, ext. 1012, or visit us online at www.startsaving.la.gov.

We're Moving!

LOSFA is relocating from its current location on Wooddale Boulevard to the Galvez Building on Fifth and Main Streets.

The agency is scheduled to be in the new building by the first of November.

The START mailing address -- P.O. Box 91271, Baton Rouge, LA 70821-9271 -- will remain the same.

Our new physical address will be 602 North Fifth Street, Baton Rouge, LA.

LOSFA is working hard to make certain the transition is a smooth one, with minimal down time.

Further information and updates on the impending move can be found on our Web site www.osfa.la.gov.



Galvez Building



For more information, contact the
START Saving Program:

By Phone: 800-259-5626, Ext. 1012

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

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

Web Address: www.startsaving.la.gov

For submissions, opinions or comments for STARTing Line, please
contact David Roberts at droberts@osfa.la.gov.