

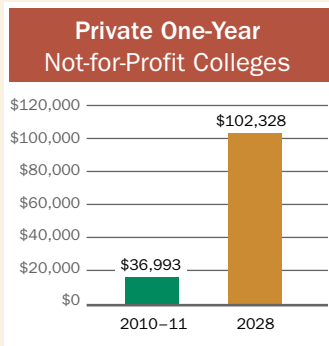
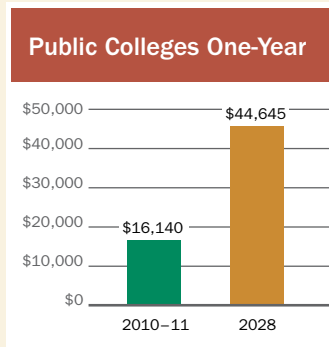
# How to go from here

ENROLLMENT MATERIALS



to there.

## What you might need.



This chart indicates actual (2010–11) and projected (2028) average college costs for only one year of tuition, fees, room and board. Based on average tuition and fees for 2010–11 as reported by The College Board® and assumed to increase 6% annually. This is a hypothetical example for illustrative purposes only.


Source: 2010–11 pricing obtained from 2010 Trends in College Pricing, pg 3, [www.collegeboard.com](http://www.collegeboard.com).



Download our College Planner smartphone application to help you calculate your college savings goals.

### Ready to Enroll? Two easy ways

Enroll online at [www.mnsaves.org](http://www.mnsaves.org) 

Complete and mail the enclosed paper application 

We are here to help. Call 1-877-338-4646 

## Why should you save for college?

Paying for a college education can be one of the most pressing family financial challenges. Although it may seem overwhelming, it is not unattainable. It's important to start saving early, contribute frequently and choose a plan that can help you accomplish your college savings goals. The Minnesota College Savings Plan can help you with its tax advantages, flexible features and low cost.

## What is the Minnesota College Savings Plan?

The Minnesota College Savings Plan is Minnesota's official Section 529 college savings plan. It is administered by the Minnesota Office of Higher Education and managed by TIAA-CREF Tuition Financing, Inc. Section 529 plans are state programs with tax advantages to help families save for a loved one's future college education expenses.

## What are the benefits of the Minnesota College Savings Plan?

- **Affordable to start:** You can open an account with as little as \$25.
- **Anyone can open an account:** A parent, grandparent, friend or relative at any income level can open an account for anyone.
- **Control of the account:** The account owner designates the beneficiary and controls the funds in the account regardless of the age of the beneficiary.
- **Tax advantages can help:** Any earnings on the funds in your account are free from federal and state income taxes when used for qualified higher education expenses.
- **Choice of schools:** Funds may be used at any qualified college, university, career or trade school in the United States and some abroad.
- **It's transferable:** If your account beneficiary decides not to attend college or uses a scholarship, you can change your beneficiary to another eligible member of the family.
- **Access to the money:** Only the account owner has access to the funds in the account. If used for purposes other than qualified college expenses, taxes and penalties may apply.
- **A range of investment options:** There are six different investment options to choose from, including a Guaranteed Option, to best meet your savings objectives and risk tolerance.
- **Low fees:** The total annual asset management fee ranges from 0.51% to 0.61% per year depending on the investment option. The Guaranteed Option does not have a total annual asset management fee. There are no additional fees or administrative expenses.
- **Professional plan management:** TIAA-CREF Tuition Financing, Inc. serves as Plan Manager of the Minnesota College Savings Plan. TIAA-CREF Tuition Financing, Inc. is an affiliate of TIAA-CREF, a financial services organization with over 90 years of investment experience.

## Once you start, it's easy to stay on track.

### You can open an account for as little as \$25 per investment option.

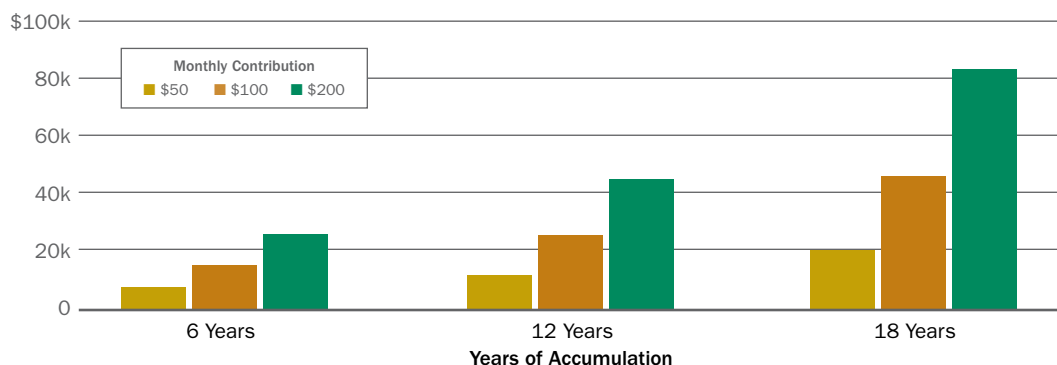
You can make after-tax contributions to your Minnesota College Savings Plan account using any of the following flexible methods:

- **Personal Check:** You can mail a personal check to your account at any time.
- **Electronic Funds Transfer:** If you have set up online account access, you can contribute online anytime via electronic funds transfer from your checking or savings account.
- **Automatic Contribution Plan:** You can establish convenient monthly, semi-monthly or quarterly contributions to be drawn automatically from your checking or savings account for as little as \$25 per investment option. You can stop, start or change the contribution at any time.
- **Payroll Deduction (if your employer allows):** You can contribute via your paycheck for as little as \$15 per pay period. You can stop or increase this amount at any time.
- **Gift Contributions:** A family member, friend, anyone can make a contribution to your account or open a separate account.
- **Rollovers:** You may be able to roll over or transfer funds from another 529 college savings plan or another college savings investment. Consult with your tax advisor on any tax consequences or fees involved from your current provider.

### There is no annual contribution limit.

There is no annual limit on the amount you may contribute. However, there is an overall maximum account balance limit of \$235,000 which applies to all Minnesota College Savings Plan accounts opened for the same beneficiary. Although you can no longer contribute to the account once it has reached its maximum account balance, the account may continue to accrue earnings.

### The earlier you start and the more you invest, the more your money can grow.



This hypothetical example illustrates the future values of different regular monthly investments for different time periods and assumes an annual investment return of 6% with an initial investment of \$2,500 and no withdrawals during the relevant time period. It is presented for illustrative purposes only, does not reflect actual performance or predict future results and does not reflect any deduction for expenses or taxes.


The number 529 refers to a federal tax code section that provides federal tax advantages for qualified tuition programs. Like 401(k) plans that are named after a federal tax code section to help you save for retirement, a 529 plan helps you save for a college education.



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## Learn more through an interactive webinar.

If you would like to learn more about the Minnesota College Savings Plan, you can sign up to participate in an interactive online webinar.

During the webinar:

- You will be able to chat and ask questions from a college savings consultant.
- Hear specific details about the Plan
- Learn about tools and resources we have available to help plan for college
- Compare other college savings options

You can view a schedule of available webinars on [www.mnsaves.org](http://www.mnsaves.org).



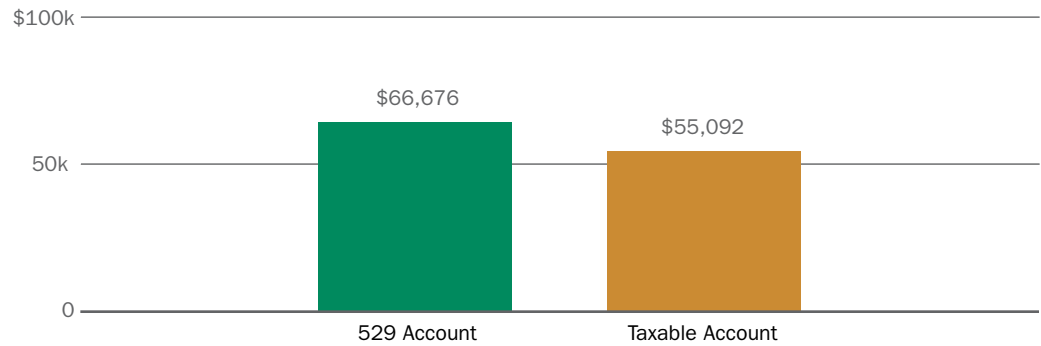
## Tax advantages can help make your money work hard.

**Contributions and any earnings used to pay for qualified college expenses will be state and federal tax free.**

Any earnings in your account will be federal and state tax-deferred. When it's time to go to college, the account funds you withdraw to pay for qualified college expenses will be state and federal tax free.

### Tax-free withdrawals for qualified college expenses

The illustration below shows that a tax-deferred account has the potential to accumulate earnings faster than if you pay taxes each year on your earnings.



This hypothetical example illustrates the growth of an annual investment of \$2,000 made at the beginning of each year for 18 years. It assumes there are no withdrawals of contributions and earnings. It also assumes a 30% combined federal, state and local income tax rate and an annual investment return of 6%. It is presented for illustrative purposes only to show the effect of compounding and tax deferral and does not represent the actual performance or predict the future results of the Minnesota College Savings Plan or any investment option in the Plan and does not reflect any reduction for expenses. Non-qualified withdrawals may be subject to federal and state taxes, and an additional 10% federal tax.


### Federal estate and gift tax benefits could help in the future.

Contributions to the Minnesota College Savings Plan may reduce the taxable value of your estate. Contributions, together with all other gifts from the account owner to the beneficiary, may qualify for the current annual federal gift tax exclusion of \$13,000 per contributor (\$26,000 for married contributors), per beneficiary. If a contributor's contributions to a Minnesota College Savings Plan account for a beneficiary in a single year exceed \$13,000, the contributor may elect to treat for purposes of federal gift tax exclusion up to \$65,000 of the contributions, or \$130,000 for married couples, as having been made proportionally over a period of up to five years. Seek the help of a tax advisor regarding federal and gift tax benefits.

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## The account is flexible to use.

### The beneficiary can attend a variety of schools.

You can use your account at any eligible college, university, trade or career school in the nation and some abroad. The account can also be used for any type of degree program, including graduate degrees and professional certifications. Eligible institutions are normally accredited institutions that accept financial aid. Visit the U.S. Department of Education website at [www.ed.gov](http://www.ed.gov) for a list of all qualified institutions in the nation and abroad.

### The account can be used for a variety of expenses.

Your investment may be applied toward tuition, certain room and board expenses, mandatory fees and the cost of books, supplies and equipment required for the enrollment or attendance of your account beneficiary at a qualified institution.

### You can transfer the account to a new beneficiary.

If your beneficiary does not attend a qualified institution or decides not to attend college, you may name another eligible beneficiary for your account. In order to avoid having this change treated as a non-qualified withdrawal, the new beneficiary must be a member of the previous beneficiary's family, as described in the Disclosure Booklet and Participation Agreement.

### You're in control regardless of the age of the beneficiary.

The account owner maintains control of the account, regardless of the age of the beneficiary. As the account owner, you control all payments and withdrawals from the account. However, if you decide to use the funds in the account for something other than a qualified higher education expense, the withdrawal will be treated as a non-qualified withdrawal. With a non-qualified withdrawal, only the earnings portion of the withdrawal may be subject to federal and state income tax as well as an additional 10% federal tax.

## Low fees and expenses can help you save more.

### The low costs of the Plan put more of your investment toward education expenses, not account administration.

The only fee for the Plan is the total annual asset-based fee used to cover the cost of investment and administrative services. The total annual asset-based fee ranges from 0.51% to 0.61% (around ½% per year) depending on which investment option you choose. The Guaranteed Option does not have this fee. No other fees or charges will be applied to your account. Please review the Disclosure Booklet or the Plan website for more information on fees.

**A child's grandparents or other relatives can be an excellent resource to help you accomplish your college savings goals:**

- Grandparents can open an account, or contribute to an existing account, even if they live in a state different than the grandchild.
- Contributions to a 529 plan may have estate and gift tax benefits.
- Make your gift more meaningful by visiting [www.mnsaves.org](http://www.mnsaves.org) to download a gift certificate template.



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**You can change your investment options.**

It's a good idea to revisit your investment strategy periodically. Re-examine your account as your goals, time period for college investing and personal financial situation change.

Once you invest in a particular investment option, you can transfer contributions and any earnings to another investment option once per calendar year, upon a change of your account beneficiary or a transfer of funds to an account for a different beneficiary.

You may also want to re-examine your account when there are long-term changes in the economy that will affect how you save or invest or when the balance in your account changes significantly (due to varying performance of different options over time). The investment approaches described in this brochure are not recommendations and do not take into consideration personal goals or preferences. After evaluating information you consider important in making an investment choice, the ultimate decision is up to you.

**Read the enclosed Plan Disclosure Booklet and Participation Agreement or visit [www.mnsaves.org](http://www.mnsaves.org) for more information on the investment options.**

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**Choose from a variety of investment options.**

**Select one or any combination that best meets your savings objectives.**

The Minnesota College Savings Plan offers six investment options to choose from that vary in investment strategy and degree of risk. You can invest new contributions in any one or combination of these investment options.

**Managed Allocation Option**

**Risk Level shifts from Aggressive to Conservative**

The Managed Allocation Option seeks to match up the investment objective and level of risk to the investment horizon by taking into account the beneficiary's current age and the number of years before the beneficiary turns 18 and is expected to enter college.

Age 0-3	Age 4-7	Age 8-11
<ul style="list-style-type: none"> <li>■ 72.00% Equities</li> <li>■ 8.00% Real Estate</li> <li>■ 15.00% Bonds</li> <li>■ 5.00% Inflation-Linked Bonds</li> <li>■ 0.00% Money Market</li> </ul>	<ul style="list-style-type: none"> <li>■ 58.50% Equities</li> <li>■ 6.50% Real Estate</li> <li>■ 26.25% Bonds</li> <li>■ 8.75% Inflation-Linked Bonds</li> <li>■ 0.00% Money Market</li> </ul>	<ul style="list-style-type: none"> <li>■ 45.00% Equities</li> <li>■ 5.00% Real Estate</li> <li>■ 37.50% Bonds</li> <li>■ 12.50% Inflation-Linked Bonds</li> <li>■ 0.00% Money Market</li> </ul>
Age 12-14	Age 15-17	Age 18 and over
<ul style="list-style-type: none"> <li>■ 36.00% Equities</li> <li>■ 4.00% Real Estate</li> <li>■ 45.00% Bonds</li> <li>■ 15.00% Inflation-Linked Bonds</li> <li>■ 0.00% Money Market</li> </ul>	<ul style="list-style-type: none"> <li>■ 22.50% Equities</li> <li>■ 2.50% Real Estate</li> <li>■ 37.50% Bonds</li> <li>■ 12.50% Inflation-Linked Bonds</li> <li>■ 25.00% Money Market</li> </ul>	<ul style="list-style-type: none"> <li>■ 13.50% Equities</li> <li>■ 1.50% Real Estate</li> <li>■ 30.00% Bonds</li> <li>■ 10.00% Inflation-Linked Bonds</li> <li>■ 45.00% Money Market</li> </ul>

**100% Equity Option**

**Risk Level: Aggressive**

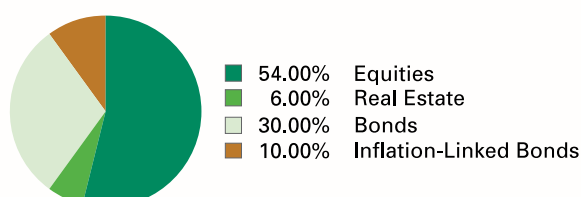
The 100% Equity Option seeks to provide a favorable long-term total return, mainly from capital appreciation, by allocating primarily to mutual funds that invest in equity index securities and real estate-related securities.

	<ul style="list-style-type: none"> <li>■ 32.20% Large-Cap Growth</li> <li>■ 32.20% Large-Cap Value</li> <li>■ 5.60% Small-Cap</li> <li>■ 20.00% International Equities</li> <li>■ 10.00% Real Estate</li> </ul>
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### Balanced Option

**Risk Level: Moderate**

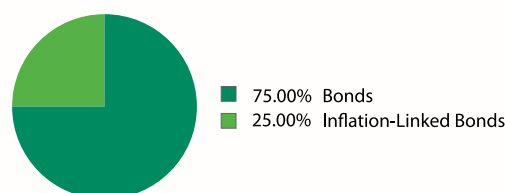
The Balanced Option seeks to provide a favorable long-term total return by allocating to a balanced mix of mutual funds that invest in domestic and foreign equity securities, fixed-income securities and real estate-related securities.



### 100% Fixed-Income Option

**Risk Level: Moderate**

The 100% Fixed-Income Option seeks to provide preservation of capital along with a moderate rate of return through a diversified mix of fixed-income investments.



### Money Market Option

**Risk Level: Conservative**

The Money Market Option seeks to provide high current income consistent with preserving capital and may be appropriate for you if you have a short investment horizon and are looking for a conservative investment with a low level of risk. For current returns, please visit [www.mnsaves.org](http://www.mnsaves.org).

### Guaranteed Option

**Risk Level: Conservative**

The Guaranteed Option provides the stability that many people may want for at least a portion of their college savings funds. It provides an investment option to investors who can tolerate little risk, including those who have traditionally saved using fixed-income vehicles and are willing to accept returns that may be lower than those offered by the other investment options. In addition, investors with shorter investment time frames may find this option appealing. Contributions and accumulations arising from such contributions under the Guaranteed Option's Funding Agreement have an effective annual interest rate of 2.25% through March 30, 2012. Subject to the claims paying ability of TIAA-CREF Life Insurance Company. For current returns, please visit [www.mnsaves.org](http://www.mnsaves.org).

TIAA-CREF Tuition Financing, Inc. is an industry leader in managing Section 529 college savings plans and serves as the Plan Manager for the Minnesota College Savings Plan.


TIAA-CREF is a national financial services group of companies and the leading provider of retirement services in the academic, research, medical and cultural fields. Further information can be found at [www.tiaa-cref.org](http://www.tiaa-cref.org).



Financial Services

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View our webcast to learn more.



The Minnesota College Savings Plan offers a five minute video to help you learn more about the Plan and its features.

You can view the presentation by visiting [www.mnsaves.org](http://www.mnsaves.org) and clicking on the webcast link.

Feel free to share the webcast by sending a link to your friends and family so they can learn more about the Plan too.

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## Frequently asked questions

### Who can open an account?

Any individual with a valid Social Security Number or federal Taxpayer Identification Number who is a U.S. citizen or resident alien can open an account and contribute to a Minnesota College Savings Plan account on behalf of any beneficiary. You can even open an account for yourself. There are no age restrictions or income limitations. Each account may only have one account owner and the account owner can be changed at any time. A contingent account owner can also be named on the account.

### Who is the beneficiary on the account?

The beneficiary is the student you will be saving for. Only one beneficiary may be listed per account opened, but multiple accounts may be opened by different account owners for the same beneficiary. Any U.S. citizen or resident alien with a valid Social Security Number, including the account owner, can be the beneficiary. There are no age restrictions on the beneficiary.

### Can more than one person contribute to the account?

Yes. Anyone can contribute to your account as long as the total contributions in the Minnesota College Savings Plan do not exceed \$235,000 for the same beneficiary, including all other accounts in the Minnesota College Savings Plan.

### Can I change the beneficiary of my account?

Yes, you can change your beneficiary at any time or transfer a portion of your account to a different beneficiary. The new beneficiary must be an eligible member of the previous beneficiary's family. See the Disclosure Booklet for eligible family members.

### What if my account beneficiary decides not to attend college?

If your beneficiary of an account does not attend college, you as the account owner may name another beneficiary for the account. The new beneficiary must be an eligible member of the family of the original beneficiary. Otherwise, if the funds are withdrawn for a purpose other than to pay for qualified higher education expenses (except in the event of a beneficiary's death, disability, scholarship or attendance at a military academy) it will be treated as a non-qualified withdrawal and earnings may be subject to federal and state income tax as well as an additional 10% federal tax. Please review the Plan Disclosure Booklet for additional information.

### What if my account beneficiary gets a full or partial scholarship?

If your beneficiary receives a scholarship that covers the cost of qualified expenses, you can withdraw the funds from your account up to the amount of the scholarship. Withdrawals due to receipt of a scholarship are subject to federal and Minnesota income taxes, but no additional 10% federal tax.

### Are there any time restrictions in which I have to use the account?

There are no time restrictions in using the account. You can withdraw funds from your account at any time regardless of the age of your beneficiary.

### Will participation in the Minnesota College Savings Plan affect my beneficiary's eligibility for financial aid?

Only 5.64% of assets above a financial aid asset protection allowance are considered available for college expenses in computing Federal and state of Minnesota grant aid. The financial aid asset protection allowance increases with the age of the student's oldest parent. For more information visit [www.getreadyforcollege.org](http://www.getreadyforcollege.org).

### How do I take distributions to pay for college?

When you want to withdraw money from your account, fill out the Withdrawal Request Form and return it to TIAA-CREF Tuition Financing, Inc. This form, which can be printed online or obtained by calling the Plan's toll-free number, can be used for withdrawals for qualified higher education expenses of your beneficiary, non-qualified withdrawals, or withdrawals due to death, disability or scholarship. For qualified withdrawals, you may also submit a withdrawal online at [www.mnsaves.org](http://www.mnsaves.org). Keep your receipts or other documentation. It is your responsibility under federal tax law to substantiate the tax treatment of contributions, withdrawals and other transactions involving your account.

### What if I need the funds in the account for other purposes?

Non-qualified withdrawals may be subject to federal and state income taxes and an additional 10% federal tax.

### If I move out of Minnesota, what will happen to my account?

If you move to another state, you can still keep your money invested in your Minnesota College Savings Plan account. You can also continue to contribute to your account. You should consider whether the state you or your designated beneficiary reside in has a 529 plan that offers favorable state income tax or other benefits that are only available if you invest in that state's 529 plan.

### Can I roll over funds from another 529 plan?

You are permitted to transfer funds from one 529 college savings plan to an account in another 529 college savings plan for the same beneficiary once within a 12-month period without incurring federal or state income tax. The 529 college savings plan from which you are transferring funds may have different features, costs and rollover charges. You should consult with your tax advisor or the other 529 college savings plan provider prior to requesting a rollover.

### Can I transfer my Coverdell Education Savings Account to a Minnesota College Savings Plan?

If you currently have a Coverdell Education Savings Account, you can transfer those assets to the Minnesota College Savings Plan. It is also important to check to see if your current provider will apply additional charges.

### Can I transfer a custodial account (UGMA or UTMA) to the Minnesota College Savings Plan account?

If you own an UGMA/UTMA account, you can also transfer those assets to your Minnesota College Savings Plan account. You will have to withdraw the assets from your current custodial account and reinvest the proceeds for the same beneficiary in a 529 plan. Taxes and fees may apply. It is also important to check to see if your current provider will apply additional charges.

## MINNESOTA OFFICE OF HIGHER EDUCATION

The Minnesota College Savings Plan is administered by the Minnesota Office of Higher Education.

For additional information on planning for college and financial aid, visit:

[www.getreadyforcollege.org](http://www.getreadyforcollege.org)

GetReadyForCollege.org is administered by the Minnesota Office of Higher Education and offers a variety of tools and resources:

- Financial Aid Estimator
- College Publications
- Important Test Dates
- Educator Resources

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You can get there.  
We can help.



### Additional ways to learn more.

*The Minnesota College Savings Plan offers online tools and resources to help you learn more about the Plan.*



#### Attend an online Webinar:

- Sign up to attend an interactive online webinar offered weekly
- Visit [www.mnsaves.org](http://www.mnsaves.org) for a schedule of webinars



#### Call 1-877-338-4646 and speak with a Plan consultant to:

- Answer your specific questions on the Plan
- Schedule an appointment with a consultant in our TIAA-CREF Bloomington, MN office
- Request a free presentation at your employer, school or organization



#### Download our College Planner Calculator:

Download the TIAA-CREF College Savings Planner iPhone or Android application for free to help you plan your college savings goals.

*Questions? Call toll-free 1-877-338-4646.*

You can get there. We can help.  
Start today with a Minnesota College Savings Plan.

*Everything you need to enroll is contained in this package  
or enroll online by visiting [www.mnsaves.org](http://www.mnsaves.org).*

*For help, please call us at 1-877-338-4646.*

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***Consider the investment objectives, risks, charges and expenses before investing in the Minnesota College Savings Plan. Please visit [www.mnsaves.org](http://www.mnsaves.org) for a Disclosure Booklet containing this and other information. Read it carefully. Investments in the plan are neither insured nor guaranteed and there is the risk of investment loss.***

***Before investing in a 529 plan, you should consider whether the state you or your designated beneficiary reside in or have taxable income in has a 529 plan offering favorable state income tax or other benefits only available if you invest in that state's 529 plan.***

***The tax information contained herein is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor. Non-qualified withdrawals may be subject to federal and state taxes and the additional federal 10% tax.***

TIAA-CREF Tuition Financing, Inc., Plan Manager.

