

Pennsylvania

Guaranteed Savings Plan



Pennsylvania's Tuition Account Plan

A tax-smart way to save for
College

*Information provided by
Your State Senator*

Unique features available to Pennsylvanians

Better financial aid consideration

A GSP account does not affect eligibility for financial aid provided by Pennsylvania, such as state grants. State law does not exclude savings in other states' Section 529 college savings plans from financial aid consideration.

Tuition discounts at select private schools

By investing in a GSP account you become eligible to participate in the SAGE Scholars Tuition Rewards program, which offers discounts to reduce tuition costs at more than 190 schools nationwide (including more than three dozen in Pennsylvania).

Matching funds for low-income families

Lower-income families may qualify for as much as a dollar-for-dollar government match of their savings placed in a GSP account through the Family Savings Account program administered by the Pennsylvania Department of Community and Economic Development. Call 717-720-7331 for details.

Protection from creditors

GSP accounts are protected by Pennsylvania law from attachment, levy, or execution by creditors of the account owner or beneficiary. State law does not protect savings in other states' Section 529 college savings plans.



How the GSP works

The Guaranteed Savings Plan is available exclusively to account owners or beneficiaries who live in Pennsylvania. You make contributions to your account whenever you choose, in amounts of \$25 or more. Your contributions are placed in a \$1 billion state fund managed by investment professionals with the goal of ensuring that growth meets or exceeds tuition increases.

When you open a GSP account, you designate the Tuition Level at which you will save. The Tuition Level, which represents the school or type of school for which you are saving, determines your tuition inflation index - that is, the percentage by which your account is guaranteed to grow. Your return is determined by tuition

inflation, not by the performance of the stock market. The GSP offers a wide variety of Tuition Levels designed to meet the college plans of any student, including community colleges, Pennsylvania's state-owned or state-related universities, private colleges, and Ivy League schools.

When your student is ready for college or career school, you withdraw the amount you choose from your account balance to cover qualified higher education expenses.

Open your GSP account within three weeks of receiving enrollment materials and we will cut the one-time enrollment fee of \$50 in half to \$25. For more savings, check with your employer or your child's school to see if you are eligible for a discounted enrollment fee of \$10.

Save for college, save on taxes

- The Pennsylvania Guaranteed Savings Plan (GSP) provides you with a tax-smart, guaranteed way to save for college. With the GSP you choose the amount you want to contribute and make contributions whenever you want. Your account is guaranteed to grow so that it keeps pace with tuition inflation.

Special tax breaks for Pennsylvania residents

- You (and any other parent, grandparent, and family member) can deduct up to \$12,000 a year in contributions to a GSP account on your state income tax returns.
 - Earnings on your GSP account grow tax-free, and when you use your account for qualified higher education expenses, you pay no Pennsylvania or federal income taxes on your earnings. *(Congress is considering extending the federal tax exemption, which is currently set to expire after December 31, 2010.)*

- A GSP account provides federal gift and estate tax benefits.
- GSP accounts are exempt from Pennsylvania's inheritance tax.

Flexible ways to contribute and use your funds

- Contribute as little as \$25 or as much as you can afford.
- Make a lump sum contribution, occasional contributions, or automatic contributions by payroll or bank account deductions.
- Use money from your account at most public or private colleges and many career schools across the nation and even abroad.
- Your account can be used for most higher education expenses – including tuition, books and supplies, fees, and room and board.

Keep pace with tuition inflation

- In the Pennsylvania Guaranteed Savings Plan, your return is determined by tuition inflation, not by the performance of the stock market.

Opening a GSP account is easy

1. Obtain an enrollment kit by visiting www.TAPfacts.com or calling 1-800-440-4000.
2. Complete enrollment materials.
3. Make your initial contribution.

A Solid Investment

The GSP is the only Section 529 college savings plan in the nation to earn an investment grade rating from Moody's Investors Service. After a thorough, objective, and independent review, Moody's, one of the world's most respected sources for credit rating and risk analysis, rated an investment in GSP as "upper medium grade" and subject to "low credit risk."



Making Saving Easier

The Pennsylvania Guaranteed Savings Plan has teamed up with Upromise®, a service designed to help families save and pay for college. Through Upromise, hundreds of America's leading companies help you save for college by giving you back a percentage of your qualified spending with them.

The Upromise Service is free to join and allows members to save a percentage of their qualified spending with hundreds of America's leading companies - including more than 23,000 grocery and drug stores and 14,000 gas stations - as college savings in their Upromise account. Members can also get money for college by dining at more than 8,000 participating restaurants and shopping online at more than 400 participating online shopping sites.

When you join Upromise, you can link your Upromise account with your Pennsylvania GSP account and have your Upromise college savings automatically transferred, making saving for college even easier.

The Pennsylvania GSP and Upromise also make saving a family affair. When grandparents, aunts, uncles, and friends join Upromise, a portion of their qualified spending can automatically be deposited into your child's Upromise account.

¹ Subject to minimum transfer amount of \$25





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The foregoing is not an offer to sell, nor a solicitation of an offer to buy, interests in the Pennsylvania Guaranteed Savings Plan (GSP), which are offered only by means of the Disclosure Statement. The guarantee is made by the GSP Fund only and is not an obligation of the Commonwealth. The Disclosure Statement provides important information about limits to this guarantee. You should read and consider it carefully before investing. Call 1-800-440-4000 or visit www.TAPfacts.com to obtain a Disclosure Statement. If you are not a Pennsylvania taxpayer, consider before investing whether you or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program. The Pennsylvania GSP is sponsored by the Commonwealth of Pennsylvania and administered by the Pennsylvania Treasury Department.

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