



Get them on the right path



Path2College
529 Plan
Save for the future. Today.®
Offered by the State of Georgia

What is a 529 Plan?

- **Section 529 of the Internal Revenue Code.** Federal law requires all 529 plans must be state sponsored.
- **There are two types of 529 plans.** College savings plans (direct sold and advisor sold) and prepaid plans.
- **No annual contribution limit.** Contributions to the Path2College 529 Plan are unlimited until the maximum account balance of \$235,000 is met.
- **Tax-deferred earnings.** Any earnings grow tax-deferred.
- **Tax-free withdrawals.** Withdrawals for qualified higher education expenses are federal and Georgia state income tax-free.



What is the Path2College 529 Plan?



Path2College, established in 2002, is **Georgia's 529 Plan** that helps families prepare for the future costs of college tuition and other qualified expenses, such as fees, books, computers, related technology and certain room and board costs.



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A Trustworthy State Plan

- Path2College 529 is the official college saving plan for the State of Georgia endorsed by Governor Nathan Deal and the First Lady.
- This plan is also listed on Clark Howard's "Dean's List"* as one of the top plans in the nation.

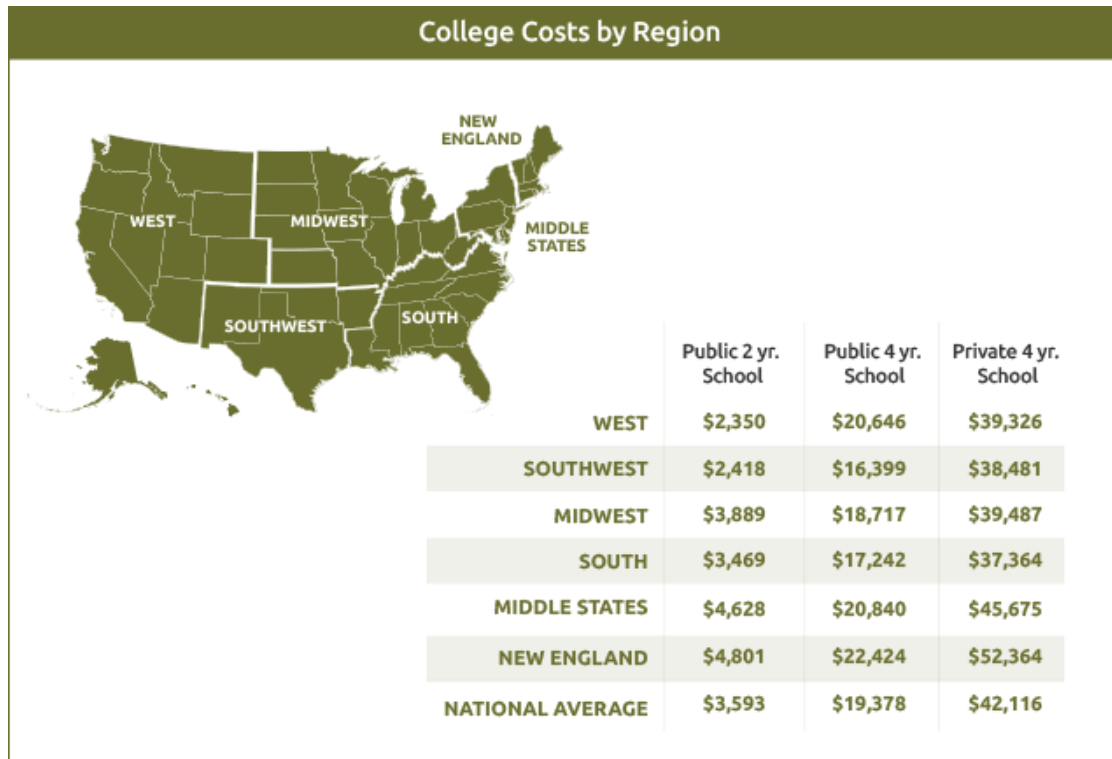
Low cost is a key factor used in the selection of Clark Howard's top recommended plans.

** Source: Clark's 529 Guide, www.clarkhoward.com/clarks-529-plan-guide, April 8, 2015)*



College Costs Across the U.S.

The chart uses data collected by the College Board to show the difference in total costs per year for colleges and different types of schools in selected regions of the United States:



Source: The College Board, Trends in College Pricing 2014. Assumes public two-year school costs are for in-state resident and commuting. Assumes public four-year school costs are for in-state residents living on campus. Assumes private four-year school costs are for living on campus.

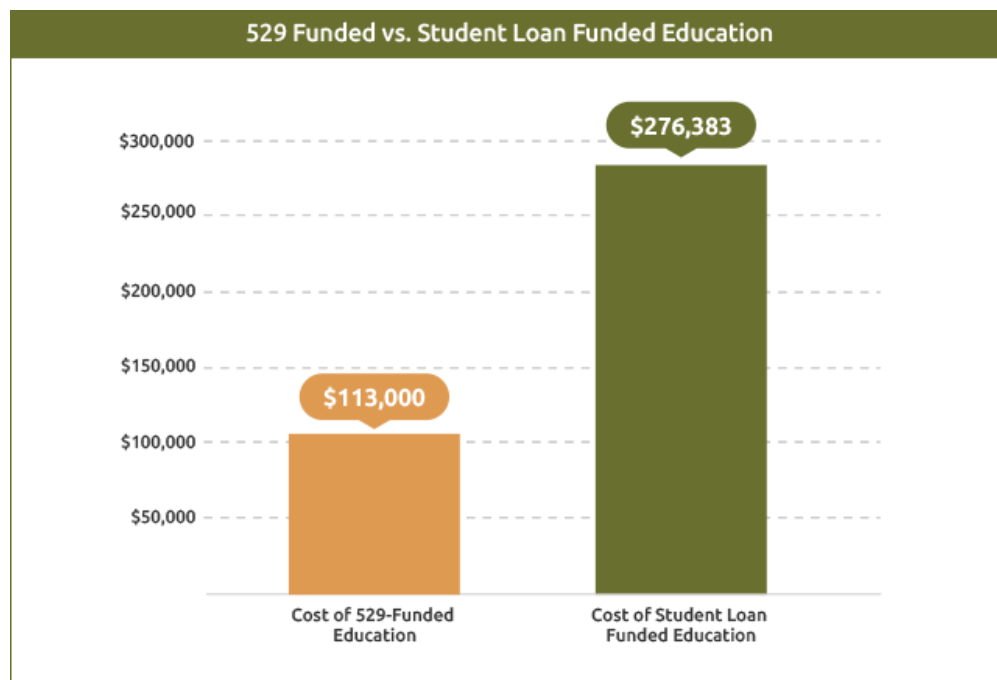


Funding a College Education

This chart hypothetically assumes four years of college (current annual cost of \$20,000) for a child born today.

To meet that expense 18 years from now, you would need to save \$448 per month (from birth) in a 529 plan — totaling \$207,456; \$113,000 in contributions and \$94,456 in earnings, assuming a conservative 5 percent college cost inflation rate and a 6 percent annual investment return.

If the same funds were borrowed to pay for college rather than saving and investing your child would graduate owing about \$276,383 in loans. This translates into a monthly payment of approximately \$2,303 over 10 years, assuming a 6 percent loan interest rate.



The cost of college funded by student loans would end up costing an additional \$163,383 compared to the cost of college when funds are saved and invested monthly from birth to college attendance at age 18

Source: Savingforcollege.com



Is Saving for Higher Education Possible?



Yes! With the cost of college rising steadily, many wonder if saving for higher education is realistic. The sooner you start saving for college, the better it can be.

With the Path2College 529 Plan, we can make saving for college easier.

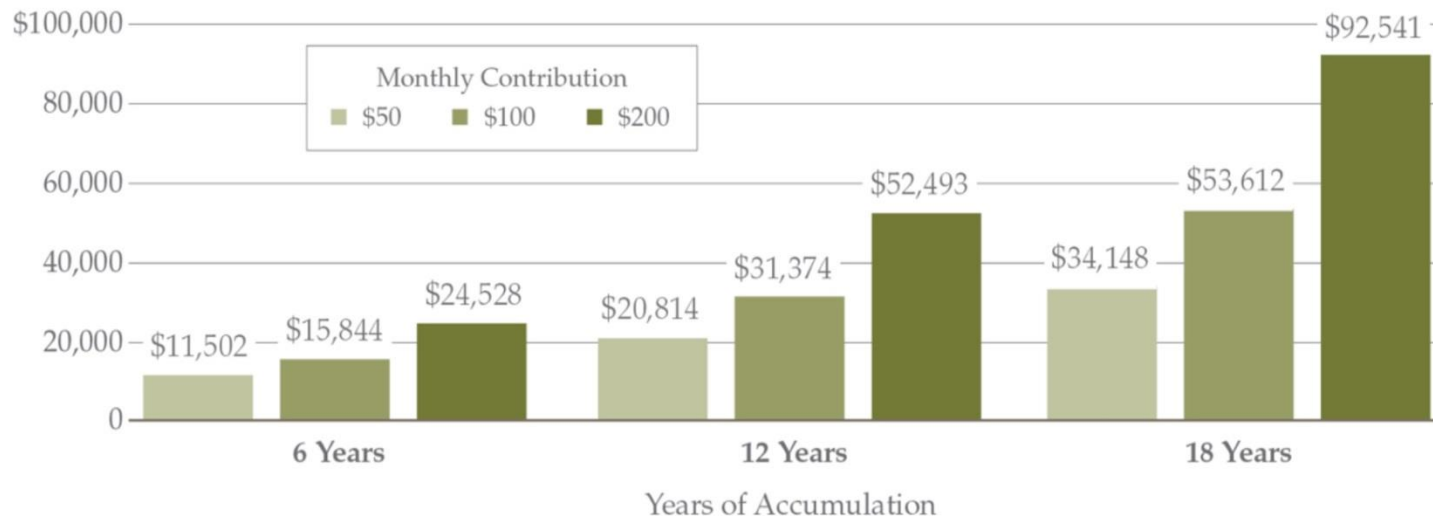


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The Advantage of Starting Early



Small steps today can help pave the way for rewards in the future. Assumes initial contribution of \$5,000 and an annual investment return of 6%.



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 \$5,000. It is presented for illustrative purposes and does not reflect actual performance or predict future results of the Path2College 529 Plan and does not reflect any deduction for expenses or taxes or the benefits of any Georgia income tax deduction that may apply. Account values will fluctuate with market conditions and the specific Investment Options that are selected.



Why Path2College 529 Plan?



- **Easy to start.** Open an account for as little as \$25 per Investment Option.
- **Anyone can open an account.** A friend or relative at any income level, who has a Social Security Number or Taxpayer Identification Number, can open an account for anyone — even themselves!
- **Professional management.** TIAA-CREF Tuition Financing, Inc. (TFI) serves as program manager of the Path2College 529 Plan. TFI is a part of TIAA-CREF, a financial services organization with more than 90 years of investment experience.
- **You control the money.** When it's time for a qualified withdrawal, you can designate where the funds are distributed.
- **Choice of schools.** Funds may be used at virtually any college or university in the U.S., and many colleges and universities abroad. The funds in your account can be applied to tuition as well as other qualified higher education expenses, including fees, books, computers, related technology expenses and certain room and board costs.



Why Path2College 529 Plan?



- **Flexible contribution limit.** You may contribute to your account until the maximum account balance of \$235,000 is met.
- **Low fees.** There are no sign-up or maintenance fees, just a total annual asset-based fee ranging from 0.23% - 0.36% depending on the investment option selected. This low fee covers all expenses associated with the plan.
- **State tax benefits.** Georgia taxpayers may contribute to a Path2College account and deduct up to \$4,000 per beneficiary per year if married and filing jointly and \$2,000 per beneficiary per year if filing a single tax return regardless of their annual income. Rollovers are not eligible for the Georgia income tax deductions. Recapture provisions may apply. Read the Disclosure Booklet carefully.
- **Tax-deferred earnings.** Any earnings in your account grow tax-deferred.
- **Tax-free withdrawals.** Money you withdraw for qualified higher education expenses is federal and Georgia state income tax-free.



How Do I Contribute?



- **Check or EFT.** Initial minimum and subsequent investment of \$25 per Investment Option. Contribute by check, phone or online as often as you like.
- **ACP.** Start an Automatic Contribution Plan through your personal checking or savings account with an initial and subsequent investment Option. Check with your employer.
- **Payroll deductions.** Your employer may offer payroll deduction — minimum \$15 per pay period per Investment Option. Check with your employer.
- **Rollover.** You may transfer (rollover) funds from another qualified tuition program established for the same beneficiary or for a new beneficiary who is an eligible member of the family of the beneficiary from which the withdrawal is made (provided the account owner has not made a similar transfer to any qualified tuition program for the benefit of that same beneficiary within the previous 12 months).



Who Can I Contribute For?



You may designate anyone as the beneficiary:

- Your child
- Your niece or nephew
- Your grandchild
- Your friend or other relative
- Yourself



Where Can Funds Be Used?



Use your funds at any eligible educational institution in the nation and abroad:

- Private or Public
- Out-of-State or In-State
- Trade or Technical School, Graduate and Undergraduate Studies

Institutions are assigned a Federal Student Code. Visit the U.S. Department of Education Web site: www.fafsa.ed.gov and go to “Find my school codes.”



What Can Funds Be Used For?



Contributions and any investment earnings may be used for qualified higher education expenses of the designated beneficiary.

These expenses include:

- Tuition and Fees
- Books
- Computers and Related Technology
- Certain Room and Board Costs
- Supplies and Equipment Required for Enrollment and Attendance



A Range of Investment Options



Path2College 529 Plan offers seven different investment options to choose from.

You can select one or any combination that best meets your investment objectives.

- Managed Allocation Option
- Aggressive Managed Allocation Option
- 100% Equity Option
- Balanced Fund Option
- 100% Fixed-Income Option
- Money Market Option
- Guaranteed Option



Managed Allocation Option

Risk level shifts from Aggressive to Conservative

- Portfolios are assigned based on the age of the beneficiary.
- Allocations are assigned based on one of nine Age Bands.
- A larger percentage of contributions are allocated to equities and real estate securities in the early years of the beneficiaries life.
- As the Beneficiary nears college age, an increasing percentage of funds are automatically allocated to fixed income and money market Mutual Funds* and less to equities and real estate securities.

** The TIAA-CREF Money Market Fund, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment as \$1 per share, it is possible to lose money by investing in the fund.*



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Aggressive Managed Allocation Option

Risk level shifts from Aggressive to Conservative

- Portfolios are assigned based on the age of the beneficiary.
- Allocations will be placed in one of nine Age Bands.
- Allocates a greater percentage of investments to equities and real estate securities than the Managed Allocation Option.
- Like the Managed Allocation Option, an increasing percentage of funds are automatically allocated to fixed income investments and money market Mutual Funds and less to equities and real estate securities.
- While equities have higher risks, they have historically resulted in higher returns than bond or money market funds.

Past performance is no guarantee of future results.



Balanced Fund Option

Risk Level: Moderate

- Seeks to provide favorable returns that reflect the broad investment performance of the financial markets through a diversified portfolio of Mutual Funds that includes index funds (equity, small cap blend and large cap value), international equity, fixed-income funds and a real estate securities fund.
- This option may be appropriate for you if you have a medium to long investment horizon and can tolerate a moderate level of risk.

Refer to the Disclosure Booklet for the underlying mutual fund allocations for the Balanced Fund Option.



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100% Equity Option

Risk Level: Aggressive

- Seeks to provide a favorable long-term total return, mainly from capital appreciation.
- Value of account will fluctuate based on the performance of the underlying equity index fund.
- Because of the high exposure to equities, and the corresponding high degree of risk, this option may be appropriate for you if you already have substantial college savings from less volatile investments (e.g., fixed-income) or you have a long investment horizon and you can tolerate a higher level of risk.



100% Fixed-Income Option

Risk Level: Moderate

- Seeks to provide preservation of capital along with a moderate rate of return through a diversified mix of fixed-income investments.
- This Investment Option may be appropriate for you if you have a medium to short investment horizon and can tolerate a moderate level of risk.

Refer to the Disclosure Booklet for the underlying mutual fund allocations for the 100% Fixed-Income Option.



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Money Market Option

Risk Level: Conservative

- 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.
- Invests 100% of its assets in a money market fund.



Guaranteed Option

Risk Level: Conservative

- Seeks to preserve capital and provide a stable return.
- The contributions invested in this Investment Option are allocated to a Funding Agreement issued by TIAA-CREF Life to the Board. The Funding Agreement provides for a return of principal plus a guaranteed rate of interest and allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life.
- It 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.

Transfers from the Guaranteed Option to the Money Market Option will not be permitted. If this restriction changes, investors will be notified prior to the effective date of any such change.



Investment Options

- An Account Owner is able to transfer among investment options twice per calendar year for the same beneficiary or at any time when changing the beneficiary.*
- An Account Owner is not limited to the number of investment options they are allowed to choose for a beneficiary.

**Transfers from the Guaranteed Option to the Money Market Option will not be permitted. If this restriction changes, investors will be notified prior to the effective date of any such change.*



Annual Asset-Based Fees



- Fees range from 0.25% - 0.38%
 - 0.25% for the 100% Equity Option
 - 0.32% for the Money Market Option
 - 0.30% - 0.36% for the Managed Allocation Option
 - 0.31% - 0.34% for the Aggressive Managed Allocation Option
 - 0.34% for the Balanced Option
 - 0.38% for the 100% Fixed-Income Option
- No start-up fees
- No maintenance fees
- Under the Guaranteed Option, TFI is paid an expense fee from TIAA-CREF Life Insurance Co. for distribution, administrative and other reasonable expenses. Account owner does not pay an annual asset-based fee.



Interesting Facts and Figures



- As of June 2016, over 140,000 accounts have been opened.
- As of June 2016, over \$2B has been invested in the Path2College 529 Plan.
- Listed on Clark Howard's "Deans List" as one of the top plans in the nation*
- Awarded 4.5 out of 5 cap's on SavingforCollege.com**
- During the second quarter of 2016, 75% of total contributions to the Path2College 529 Plan were remitted via ACH and payroll deduction.

* Source: Clark's 529 Guide, www.clarkhoward.com/clarks-529-plan-guide, April 8, 2015)

** The SavingforCollege.com cap rating is based on the comparison of investment options, fees and expenses, resident state tax benefits and other features as of 3/1/15. Ratings are not based on a fixed formula and are not indicative of future results.



Help put your child on the path to college

Consider taking the first step today.



1. Consider enrolling online at www.path2college529.com or by completing and signing the Account Application and returning by mail. For help or information, call 877-424-4377.
2. Research and choose the investment option(s) that fits your life-stage and goals.
3. Carefully read the Program Disclosure Booklet and Savings Trust Agreement.
4. Decide how you want to contribute (check, EFT, ACP, payroll deduction or rollover).
5. Open your account with as little as \$25 per Investment Option.
6. We will mail you a Path2College Welcome Kit and confirmation statement.



Disclosure

Consider the investment objectives, risks, charges and expenses before investing in the Path2College 529 Plan. Visit www.path2college529.com for a Disclosure Booklet containing this and other information. Please read it carefully.

Before investing in a 529 plan, you should consider whether the state you or your beneficiary reside in or have taxable income 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.

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.

Account value for the Investment Options is not guaranteed and will fluctuate based upon a number of factors, including general market conditions.

TIAA-CREF Tuition Financing, Inc., Plan Manager. TIAA-CREF Individual & Institutional Services, LLC, member FINRA, distributor and underwriter for the Path2College 529 College Savings Plan.

