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## *MESP Tops \$1 Billion in Assets Growth Reduces Management Fees*

State Treasurer Jay B. Rising announced today that the Michigan Education Savings Program (MESP), Michigan's Section 529 college savings program, has exceeded \$1 billion in assets, more than doubling in size since November, 2003. As a result of reaching this milestone current and future account owners will see MESP's annual asset-based management fee reduced to 0.60% from 0.65% effective July 1, 2005.

"Saving for a child's higher education is one of the most important investments parents and grandparents will ever make," said Treasurer Rising. "Over the next twenty years, more than 110,000 Michigan children may have an easier time paying for college because their families had the foresight to invest in MESP. This alone, shows that Michigan families recognize how important higher education is relative to their child's future success."

MESP continues to draw national attention from financial publications. Last month, *Kiplinger's Personal Finance* ranked MESP one of its five favorite plans. And for a second straight year, MESP ranks among Morningstar's "best" direct-sold 529 savings plans (*Morningstar Fund Investor*, February 2005) in part, due to its investment options. "We like the plan's many age-based options and the added diversification offered by its real estate fund," the report noted. (This article can be viewed at [www.misaves.com](http://www.misaves.com) )

MESP is a state-sponsored, tax-advantaged Section 529 college savings plan administered by the Michigan Department of Treasury and managed by TIAA-CREF Tuition Financing Inc. (TFI), a member of TIAA-CREF, the national financial services group of companies. Those who open a MESP account this year may qualify for a Michigan income tax deduction.\*

MESP has been cited for having low expenses and the fact there are no sales charges or other fees. With its \$1 billion in assets, MESP account owners will now pay just \$6 annually for each \$1,000 of assets in their account, meaning more of their investment goes towards higher education expenses, not account administration.

"The goal of MESP is to get parents to save for college," said TFI's MESP program manager Bruce Sheinhaus. "Lower fees mean there is more money invested for a student's education. MESP accounts can be used for tuition and other qualified college expenses such as books and

room and board at qualified higher education institutions in Michigan, across the nation, and abroad.”

“Michigan families have a tax-advantaged college savings program in MESP,” Sheinhaus added. “Opening a MESP account is simple and comes with a host of popular features, including online enrollment, online account access, and payroll deduction, plus it’s easy to set up regular contributions through a checking account. With these advantages, even more people can now take advantage of owning a MESP account.”

The MESP web site - [www.misaves.com](http://www.misaves.com) - provides detailed information and includes an on-line enrollment feature. Information and applications can also be obtained by calling 1 (877) 861-MESP (toll free). There are no age, income, or residency restrictions to open an account.

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\* The amount contributed by a Michigan taxpayer to your MESP accounts during a tax year less the amount of any qualified withdrawals from your MESP accounts during that tax year is deductible from Michigan adjusted gross income in an amount not to exceed \$5,000 for a single return or \$10,000 for a joint return for that tax year. Rollovers are not eligible for the Michigan income tax deduction.

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc. distribute securities products.

***Before investing in the Michigan Education Savings Program (MESP), consider the investment objectives, risks, charges and expenses. Please call 1 (877) 861 - MESP or visit [www.misaves.com](http://www.misaves.com) for a Disclosure Booklet containing this information. Read it carefully.***

***If you or your designated beneficiary reside in or have taxable income in another state, consider before investing whether that other state offers a 529 plan with favorable state income tax or other benefits that are only available if you invest in that state’s 529 plan.***

The State of Michigan, its agencies, TIAA-CREF Tuition Financing, Inc., Teachers Insurance and Annuity Association of America and its affiliates do not insure any account or guarantee its principal or investment return except for TIAA-CREF Life Insurance Company’s guarantee to MESP under the funding agreement for the Guaranteed Option. Account value will fluctuate based upon a number of factors, including general market conditions.