

Office of the Governor

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NEWS RELEASE

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GOVERNOR ANNOUNCES START OF NJBEST COLLEGE SAVINGS PLAN DURING VISIT TO MARLTON MIDDLE SCHOOL

Gov. Whitman tonight stressed the importance of the NJBEST program in helping families pay for college education for their children during a visit with parents at the Marlton Middle School's back-to-school night. The Governor announced that the NJBEST program has begun accepting applications from families to start college accounts, which are free of state taxes and federally tax deferred.

"This program is designed to give families an affordable, convenient way to save for a child's education," Gov. Whitman said. "NJBEST will help families maximize their college savings. An NJBEST account can be set up by anyone who wants to save for a child's future college costs."

"College education, in addition to purchasing a home and providing for retirement, is one of the most vital investment goals for New Jersey families - so remember it's never too soon to start saving," Gov. Whitman said. "And by investing those savings with NJBEST, families will help those savings go further in covering the cost of higher education."

'Saving for college is an investment in a child's future, and in New Jersey we are helping families make this commitment to the future " she said.

NJBEST was signed into law by Gov. Whitman in September, 1997. The program is administered by the New Jersey Higher Education Assistance Authority through the Office of Student Assistance. Invested funds are managed by the Division of Investment in the Department of Treasury.

If used for higher education, the earnings on NJBEST accounts are free of state taxes and federally tax deferred until withdrawn. Distributed earnings will be included in the beneficiary's taxable federal income and be taxed at the student's tax rate rather than the parent's.

The NJBEST savings can be used for expenses, including tuition, fees, books and room and board. Families can use NJBEST savings for full-time or undergraduate or graduate study at any college or university. The first \$25,000 in savings are also exempt from New Jersey-based financial aid consideration. NJBEST scholarships in the amount of \$500 will be awarded to any beneficiary who has had an account for at least four years, if the student attends a New Jersey college.

Either the contributor to the NJBEST account or the beneficiary must be a resident of New Jersey. The minimum contribution to the account is \$25 per month.

Information about NJBEST can be obtained by calling 1-877-4NJBEST.