

**Ted Wheeler**

State Treasurer



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***FOR IMMEDIATE RELEASE***

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## With new fee reduction, families to pay even less to invest for education in the Oregon College Savings Plan

*State Treasury negotiates 20 percent fee reduction from administrator TIAA-CREF for 2012*

SALEM – Families will pay even less to invest for higher education and technical job training through the Oregon College Savings Plan, thanks to another reduction in the fees for the growing program.

The reduction will go into effect by the end of the first quarter of 2012, and comes in addition to a decline in state-related fees that became effective in June 2011.

“We know that college and technical training are increasingly important, and the Oregon College Savings Plan is helping tens of thousands of Oregon families to reach their goals,” said State Treasurer Ted Wheeler, the chairman of the Oregon 529 College Savings Board. “By negotiating hard to get the best fees possible, we are helping to stretch your family’s money even further.”

The popular investment program is overseen by the five-member College Savings Board, and the actual investments are handled through a private sector firm that successfully bid to administer the program, TIAA-CREF Tuition Financing Inc.

The fee reduction for 2012 is the result of negotiations between TIAA-CREF and the Oregon State Treasury. The Oregon 529 College Savings Network is directed by Michael Parker.

Families will pay just 0.2 percent annually to TIAA-CREF for management and servicing of the plan. The annual state-related administration fee, which was cut in half this spring, is just 0.05 percent. Combined, that translates to 25 cents annually for every \$100 invested.

Each decline in fees makes the Oregon plan more affordable, Wheeler said. There are separate investment fees associated with individual mutual fund options that are offered through the portfolio, and those vary depending on the investment choices selected by families.

The strong sustained growth of the Oregon 529 Network, which had combined assets in excess of \$1.2 billion on Sept. 30, is a key factor driving the fee negotiations and reductions. There were 120,478 beneficiaries in the program as of Sept. 30, compared to 112,711 in September 2010.

In other news, Oregonians continue to invest in the “Principal Plus Interest Portfolio” that became available when TIAA-CREF began managing the Oregon College Savings Plan in 2010. The option provides a safe place for investors to keep their assets and also receive a guaranteed rate of return, as opposed to being exposed to the ups and downs of the stock market.

As of Sept. 30, the Principal Plus Interest Portfolio had \$25.3 million in assets, which is a 121 percent increase over the previous year. Board members have encouraged staff to better highlight the availability of the guaranteed option.

The state-sponsored Oregon 529 Network allows families to receive tax benefits and set aside money for college and job training. It is made up of two separate investment options: Families can invest through a broker in a plan offered by MFS Investment Management, or families can invest on their own through the Oregon College Savings Plan, the TIAA-CREF-managed option.

The State Treasury protects public assets and saves Oregonians money through its investment, banking, and debt management functions. The office also promotes public outreach and education to help Oregonians learn strategies to save money, invest for college and make smart financial choices.

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