

## RESOLUTION

### **INCLUSION OF SECTION 529 PROGRAMS IN THE SAVER'S CREDIT TO ENCOURAGE MORE AMERICAN FAMILIES TO SAVE FOR THE RISING COST OF HIGHER EDUCATION**

- WHEREAS,** The rising cost of a higher education continues to outpace inflation and, without proper planning, those costs can jeopardize a family's ability to ensure their children have access to higher education; and
- WHEREAS,** Higher education is an investment that will pay off given that the earnings gap between those with a high school diploma and those with a bachelor's degree or beyond exceeds \$1 million over a lifetime; and
- WHEREAS,** The total outstanding student loan debt in the U.S. is \$1.5 trillion and 44 million Americans hold student loans; and
- WHEREAS,** The “tax-free” treatment of Section 529 program earnings has encouraged a record number of parents to start saving for their children’s college expenses, accumulating assets in these programs nationwide that have grown from \$13 billion in 2001 to more than \$311 billion by the end of 2018; and
- WHEREAS,** In 2001, as part of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA), Congress created the Saver’s Credit to encourage middle- to low-income individuals to save for retirement; and
- WHEREAS,** Section 529 Qualified Tuition Programs across the country endeavor to increase participation in the plans by families of all income levels and research has shown that children with dedicated college savings accounts are significantly more likely to attend college.

**NOW, THEREFORE BE IT RESOLVED,** that the National Association of State Treasurers and its affiliate, the College Savings Plans Network, urge the President and the Congress of the United States to enact legislation to include contributions to Section 529 qualified tuition programs to the list of deferrals or contributions that qualify for the Saver’s Credit.

Approved in 2007. Amended and renewed in 2010, 2013, 2016 and 2019.