



NATIONAL ASSOCIATION OF STATE TREASURERS



The Leading Voice For Excellence In Public Finance

The National Association of State Treasurers (NAST) serves as the nation's foremost authority for responsible state treasury programs and related financial practices, policies, and education.



NAST members lead in the following areas

- | 529 College Savings Programs
- | Achieving a Better Life Experience (ABLE) Plans
- | Financial Education and Empowerment
- | Tax Exempt Municipal Bonds and State Debt Management
- | Local Government Investment Pools (LGIPs)
- | Pension and Trust Administration
- | State Banking, Investment, and Cash Management
- | Unclaimed Property Programs

BUILDING AND FINANCING OUR CRITICAL INFRASTRUCTURE

Support tax-exempt municipal bonds and infrastructure investment

For more than 100 years, tax-exempt bonds have been the primary financing tool for critical state and local infrastructure projects like the roads, bridges, rails and pipes we use every day. In fact, the savings generated by the tax exemption help state and local governments finance the majority of the nation's infrastructure network that they build and maintain.

State and local governments continue to provide the largest share of capital investment with an annual average issuance of \$391 billion over the last decade.¹ Proposals to eliminate or reduce the tax exemption on municipal bonds would pass even more of the nation's infrastructure costs on to state governments and our shared constituencies.

Prior to 2018, state governments were able to issue tax-exempt advance refunding bonds that allowed them to refinance outstanding debt, achieve lower interest rates, and use cost savings to finance additional infrastructure improvements. Restoring the tax-exemption on advance refunding bonds remains a top priority for the nation's State Treasurers.



NAST CALLS ON CONGRESS TO

Reject proposals to eliminate or reduce the tax-exemption on municipal bonds.

Permit states to refinance bonds and achieve critical cost savings by restoring tax-exempt advance refunding bonds.

HELPING TO REUNITE OWNERS WITH THEIR UNCLAIMED PROPERTY

Support state unclaimed property administrators

Each year, State Treasuries and Unclaimed Property Administrators help reunite residents with nearly \$3 billion worth of their missing property. For many, this property can be anything from uncashed paychecks and missing physical property, to lost refunds and account balances. The purpose of unclaimed property laws is to protect the public by ensuring money and property owed to them is returned to them, rather than remaining permanently with financial institutions, businesses, and other entities. NAST advocates for legislation that continues to help citizens find and claim their unclaimed property easily and securely. Currently, NAST is advocating for the Unclaimed Savings Bond Act, which could help reunite \$30 billion in unclaimed savings bond proceeds with their rightful owners.



NAST CALLS ON CONGRESS TO

Help state unclaimed property administrators access title and records to unredeemed U.S. savings bonds, so they can use their proven track record to help reunite these bond proceeds with their rightful owners. (SUPPORT - S. 2854 and H.R. 4085)

¹ MSRB, Municipal Securities: Financing the Nation's Infrastructure.

EXPANDING ACCESS AND AFFORDABILITY OF COLLEGE AND EDUCATION SAVINGS

Support 529 College Savings Plans

Treasurers and 529 college savings plan administrators play a major role in helping families save for college and other education opportunities. With more than 15.7 million open accounts, over \$480 billion saved, and an average account over \$30,652, 529 plans are the most important education savings tool for families.² Research shows that children with a college savings account in their name are six to seven times more likely to attend a four-year college, compared with similar children with no dedicated account.³

Congressional support of 529 plans and efforts to enhance the 529 program has greatly benefited account holders saving for and paying for post-secondary education. However, the program would benefit from additional changes to address the current treatment of 529 savings accounts in the federal financial aid methodology, which the overwhelming majority of plan administrators cite as the top obstacle to American families opening accounts and utilizing 529 plans.



NAST CALLS ON CONGRESS TO

Encourage Saving for College at the Workplace – The workplace is often where Americans make decisions about saving. Tax code incentives that promote employer contributions to Section 529 Qualified Tuition Programs will be an effective method of encouraging continued education among employees.

Expand the use of a 529 account to recognized postsecondary credential programs under the Workforce Innovation and Opportunity Act. The programs included in this initiative provide the basis for developing competencies in many of the technical skills and jobs that employers find increasingly difficult to fill.

Include contributions to Section 529 Qualified Tuition Programs to the list of deferrals or contributions that qualify for the Saver's Credit.

Exempt assets in 529 accounts held for the benefit of a student from being treated as parental assets in determining a family's expected contribution.

Exempt the value of all 529 plan distributions, including any from accounts held by grandparents or noncustodial parents, from being treated as income to the student on the following year's FAFSA when the distributions are used towards eligible expenses.

PROVIDING OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

Support Achieving a Better Life Experience (ABLE) Accounts

Achieving a Better Life Experience (ABLE) accounts allow individuals with disabilities and their families to establish tax-advantaged savings and investments. ABLE accounts ease financial strains by making withdrawals tax-free when used to cover qualified expenses, such as medical and dental care, education, housing, and transportation. Since the passage of the ABLE Act in December 2014, 46 states and DC have launched ABLE programs, more than 112,021 accounts have been opened and over \$1 billion has been saved in ABLE accounts.

While Congress has already made several improvements to the ABLE Act, it would further benefit from additional enhancements. The following changes would have minimal cost to the federal government or would greatly benefit people with disabilities including millions of veterans who become eligible for ABLE while serving their country.



NAST CALLS ON CONGRESS TO

Increase the age for eligible account holders from 26 to 46.
(SUPPORT - S.331 and H.R. 1219)

Allow lump sum contributions (up to the maximum contribution amount) in certain circumstances.

Allow multiple accounts for the benefit of the same beneficiary.

Increase or eliminate the annual contribution limit.

Allow greater flexibility in ABLE accounts for beneficiaries with a spouse.

² According to CSPN data as of September 30, 2021

³ The Role of Savings and Wealth in Reducing 'Wilt' between Expectations and College Attendance. Subsequently published as: Elliott, W. and Beverly, S. (2011). The role of savings and wealth in reducing 'wilt' between expectations and college attendance. Journal of Children & Poverty, 17(2), 165-185. William Elliott III University of Pittsburgh, School of Social Work Sondra Beverly, Center for Social Development. 2010

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College Savings Plans Network (CSPN)

Founded in 1991, the College Savings Plans Network (CSPN) is a leading objective source of information about Section 529 college savings plans and prepaid tuition plans—popular, convenient, and tax-advantaged ways to save for college. An affiliate of the National Association of State Treasurers (NAST), CSPN brings together state officials who administer 529 savings and prepaid plans from across the country, as well as their private-sector partners, to offer convenient tools and objective, unbiased information to help families make informed decisions about saving for higher education.

CollegeSavings.org



National Association of Unclaimed Property Administrators (NAUPA)

NAUPA is the foremost authority on unclaimed property and the affirmed leader of the coalition of states, administrators, and holders working together to reunite rightful owners with their property. The purpose of the association is to promote and strengthen unclaimed property administration and interstate cooperation in order to enhance states' return of unclaimed property to rightful owners and provide a forum for the open exchange of information and ideas.

Unclaimed.org



State Debt Management Network (SDMN)

The State Debt Management Network represents state officials involved in the issuance, management, and oversight of public debt. SDMN provides assistance, shares information, promotes professional relationships, and provides educational development opportunities to its members.

SDMN.org

Visit NAST.org

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