

Enhancements to the Minnesota College Savings Plan help parents save for their children's college education

Minnesota's 529 Plan Has Three New Investment Options and an Improved Matching Grant for Qualifying Families

September 28, 2007, Minneapolis, MN – Parents concerned about saving for their children's college education now have three additional investment options to choose from in the Minnesota College Savings Plan ("The Plan"). The Minnesota Office of Higher Education and TIAA-CREF Tuition Financing, Inc. have expanded the investment options to help account owners align their investment objectives and risk tolerance. The state of Minnesota has also increased the Minnesota College Savings Plan maximum matching grant award for contributions made in 2007. The new investment options are the Balanced Option and the 100% Fixed-Income Option that were available as of August 1, 2007. Effective November 1, 2007, the Plan also will offer a Money Market Option, which invests in the TIAA-CREF Institutional Money Market Fund. The new investment options complement the Plan's Managed Allocation Option, 100% Equity Option, and Guaranteed Option. All six of Minnesota's 529 plan investment options continue to maintain a low 0.65% total annual asset-based fee. There are no additional sales charges, enrollment or maintenance fees.

"The goal in rolling out the new investments is to provide account owners more opportunities to pursue their college savings goals. Adding new investment options provides account owners more choices for diversification when designing an appropriate investment portfolio for their child's education," according to Kerry Alexander of TIAA-CREF.

Minnesota College Savings Plan Matching Grants Increase to \$400 for Qualifying Families

In addition to the new savings options, the state of Minnesota maximum matching grant award has increased from \$300 in 2006 to \$400 per beneficiary, per year, for 2007 contributions. State of Minnesota matching grant requirements include a minimum annual contribution to the Minnesota College Savings Plan and an annual application. In addition, the account beneficiary's family must meet residency and income criteria. Investors can learn more about the state of Minnesota matching grants and eligibility criteria by reading the Minnesota College Savings Plan Disclosure Booklet at www.mnsaves.org.

"Minnesota's matching grant is designed to encourage college savings among low and moderate income Minnesotans, said Susan Heegaard, director of the Minnesota Office of Higher Education. "By expanding the matching grant maximum award, the state's policy makers hope to see more parents and grandparents investing in the future education of a child."

If parents or grandparents haven't opened a Minnesota 529 account yet, they can get started with a \$25 initial contribution per investment option. Any earnings can be federal and state tax free if used for qualified higher educational expenses. Plan funds can be used at virtually any eligible college, university, career and graduate schools in the United States and even some overseas. The Minnesota College Savings Plan is a state-sponsored, tax-advantaged 529 college savings plan implemented and administered by the Minnesota Office of Higher Education and managed by TIAA-CREF Tuition Financing, Inc. (TFI). TFI is a recognized leader in managing Section 529 plans. TIAA-CREF is a national financial services organization with more than \$425 billion in combined assets under management, as of June 30, 2007, and has been a provider of retirement services in the academic, research, medical and cultural fields for more than 90 years.

For more information on the new investment options or to enroll on-line, please visit www.mnsaves.org or call 1 877 338-4646.

Consider the investment objectives, risks, charges and expenses before investing in the Minnesota College Savings Plan. Please visit www.mnsaves.org for a Disclosure Booklet containing this and other information. Read it carefully.

Before investing in a 529 plan, you should consider whether the state you or your Beneficiary reside in or have taxable income in has a 529 plan that offers favorable state income tax or other benefits that are only available if you invest in that state's 529 plan.

The tax information contained herein is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. It was written to support the promotion of the Plan. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

The State of Minnesota, its agencies, the Minnesota State Board of Investment ("Board"), the Minnesota Office of Higher Education ("Office"), TIAA-CREF Tuition Financing, Inc., Teachers Insurance and Annuity Association of America ("TIAA") and its affiliates do not insure any Account or guarantee its principal or investment return, except for the guarantee of TIAA-CREF Life Insurance Company to the Board on behalf of the Office under the Funding Agreement for the Guaranteed Option. Account value will fluctuate based upon a number of factors, including general market conditions.

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