

TIAA-CREF PRESS RELEASE

For Immediate Release
February 6, 2006

TIAA-CREF Applauds Efforts to Encourage Saving for College *New Legislation Would Create Potential Tax Deduction for Connecticut Families*

HARTFORD, CT (February 6, 2006) TIAA-CREF, the financial services organization and leading provider of retirement security in the academic, medical and cultural fields, praised today's announcement by Connecticut State Treasurer Denise L. Nappier of a legislative effort to create a state income tax deduction for contributions to the Connecticut Higher Education Trust program (CHET), Connecticut's 529 College Savings Program.

TIAA-CREF also announced the launch of a website, www.ct529deduction.org, which features information on the legislation and how Connecticut residents can help make a state income tax deduction for CHET contributions a reality. This website is a service of TIAA-CREF Tuition Financing, Inc. (TFI).

The legislation will call for a deduction on contributions of up to \$10,000 for households filing jointly and \$5,000 for single filers. The proposal will be formally introduced during the upcoming session of the Connecticut General Assembly that begins on Wednesday, February 8, 2006.

"Two-thirds of states that have a state income tax already offer tax deductions for contributions to their higher education savings programs," said Phillip Rollock, Vice President, Education Savings, TIAA-CREF Tuition Financing, Inc. "This legislation would encourage even more Connecticut families to save for college."

A 529 College Savings Program is a state-sponsored, tax-advantaged savings plan that can help families and individuals save for higher education. These plans offer a number of benefits including federal tax-free withdrawals for qualified expenses, tax deferral on earnings, professional money management and the flexibility to use the proceeds at virtually any higher education institution. The law allowing federal tax-free withdrawals is set to expire on December 31, 2010. Congress may or may not extend this law beyond that date. In addition, many states offer state tax benefits for contributions to their plans, as well as state income tax exemptions for qualified withdrawals.

Consider the investment objectives, risks, charges and expenses before investing in the Connecticut Higher Education Trust. Please visit <http://www.aboutchet.com/> for a Disclosure Booklet containing this information. Read it carefully.

Before investing in a 529 plan, you should consider whether the state you or your designated 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.



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The State of Connecticut, its agencies, TIAA-CREF Tuition Financing, Inc., Teachers Insurance and Annuity Association of America and its affiliates do not insure any account or guarantee its principal or investment return except for TIAA-CREF Life Insurance Company's guarantee to the Connecticut Higher Education Trust under the funding agreement for the Principal Plus Interest Option. Account value will fluctuate based upon a number of factors, including general market conditions.

Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

About TIAA-CREF

TIAA-CREF is a national financial services organization with more than \$370 billion in combined assets under management (12/31/05) and the leading provider of retirement services in the academic, research, medical and cultural fields. Further information can be found at www.tiaa-cref.org.

TIAA-CREF Tuition Financing, Inc. is the program manager for CHET and 11 other state-sponsored 529 plans distributed by TIAA-CREF Individual & Institutional Services, LLC.

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