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COMPUTER PURCHASES NOW ELIGIBLE TAX-FREE EXPENSE
UNDER 529 COLLEGE SAVINGS PLANS

Good news for CHET account owners: Congress has approved legislation that adds computers as an eligible education expense for tax-free withdrawals from 529 college savings plans.

Previously, computer and related technological purchases counted as eligible 529 plan expenses only if explicitly required by the college a student attended. Now, a computer qualifies whether a college requires students to have one or not.

The new rule stipulates that the student must be the primary user of the computer. It also allows payments from 529 plans to go toward peripheral equipment, computer software and Internet access.

The change was part of a broader measure, which President Obama has signed, that also enhanced 529 plans by allowing students to redeposit funds back into a plan within 60 days without penalty if they need to withdraw from a class due to serious illness or sudden life circumstances.

About CHET

The State of Connecticut offers CHET to help families save for future college costs. Funds saved in a CHET account can be used at any eligible college, university or trade school in the nation and some abroad for a variety of qualified higher education expenses.

To sign up for an account or for more information about the plan, visit www.aboutchet.com or call 1-888.7992438. For more news, please follow CHET on Twitter at @CHET529 and on Facebook at www.facebook.com/CHETcollegesavings.

CHET is administered by the Office of Connecticut State Treasurer Denise L. Nappier and managed by TIAA-CREF Tuition Financing, Inc.

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