American Funds®

Virginia College Savings Plan℠

The 529 question: In-state or out-of-state?

Updated as of **August 2008**

State tax and matching contribution benefits attract many investors to their home state's 529 college savings plans. Yet these benefits are only two factors you should consider when selecting a 529 plan for your clients (see back). To help you determine which 529 plan makes the most sense for your clients, here is some in-depth information about state tax and matching contribution benefits.

State income tax benefits

Almost all of the 50 states and the District of Columbia currently offer at least one 529 savings plan. To make these plans more attractive to residents, a number of states:

- **Allow residents to deduct all or a portion of a contribution made to that state's 529 plan from their state taxable income.** At this time, 32 states and the District of Columbia allow residents to deduct their contributions to in-state 529 savings plans. Vermont and Indiana allow residents to take a credit for contributions to in-state 529 savings plans. (See the table on pages 3–5.)
- **Allow residents to deduct all or a portion of a contribution made to *any* state's 529 savings plan from their state taxable income.** Arizona, Kansas, Maine, Missouri and Pennsylvania allow residents to deduct contributions to any state's 529 plan. (See the table on pages 3–5.)
- **Tax earnings on withdrawals from out-of-state plans.** One state — **Alabama** — requires investors to include earnings on withdrawals from out-of-state 529 plans as part of their state taxable income even if withdrawals are used for qualified higher educational expenses (QHEEs).[1] QHEEs include tuition, room and board, books, and certain other fees and expenses for students attending a higher educational institution half time or more.

State matching contributions

Ten states[2] — Colorado, Kansas, Louisiana, Maine, Michigan, Minnesota, New Jersey, North Dakota, Pennsylvania and Rhode Island — offer matching contributions to residents who contribute to an in-state 529 savings plan. The matching contribution amount is dependent on the amount of the contribution and the contributor's income. These states also have rules that require forfeiture of a match and the earnings thereon in certain instances, such as nonqualified withdrawals, rollovers to a different 529 plan and beneficiary changes. (Please see pages 6–7 for additional information.)

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A level tax playing field

If your clients are Virginia residents, they can deduct contributions to CollegeAmerica from their state taxable income. (See page 5.) That's because CollegeAmerica is sponsored by Virginia College Savings Plan. CollegeAmerica may also be a great choice for residents in the 21 states listed below because these states do not offer any additional tax benefits for investing in their in-state 529 plan(s).

Alaska	Kansas[3, 4]	Nevada	Texas
Arizona[3]	Kentucky	New Hampshire	Washington
California	Maine[3, 4]	New Jersey[4]	Wyoming
Delaware	Massachusetts	Pennsylvania[3, 4]	
Florida	Minnesota[4]	South Dakota	
Hawaii	Missouri[3]	Tennessee	

1 Earnings withdrawn for nonqualified expenses will be subject to federal income tax and a 10% federal tax penalty.
2 Arkansas and Utah are currently developing state matching contribution programs.
3 Residents making a contribution to any state's plan will be eligible for a deduction.
4 Offers matching contributions to residents who contribute to an in-state 529 plan. (See pages 6–7.)

Tax impact of rollovers to out-of-state plans

Rolling assets from an in-state to an out-of-state 529 plan may trigger state-tax consequences. Currently when a rollover occurs:

- Twelve states — Arkansas, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Nebraska, New York, Oklahoma, Utah and Virginia — require residents to add back to their state taxable income ("recapture") previous deductions on contributions.
- Two states — Alabama and New York — require residents to include earnings on rollovers as part of their state taxable income.

With the CollegeAmerica 529 savings plan, your clients can benefit from American Funds' 75-year commitment to consistent long-term results and low expenses. And with 22 funds to choose from, you can design a portfolio that fits each client's financial plan, time horizon and risk tolerance.

State tax deductions

The chart on the next three pages is designed to help you determine what state income tax deductions, if any, may be lost by choosing an out-of-state 529 savings plan. This chart only shows information for 529 savings plans, not prepaid plans. Since several footnotes contain information that may substantially modify — and possibly limit — the tax benefits in the chart, please read all applicable footnotes.

Maximum contribution deduction: We have provided the dollar amount the state allows taxpayers to deduct on either an individual or joint tax return for contributions to the state's 529 plan. (Deductions for married taxpayers filing separately are not included in this chart.)

Depending on the state, a contribution deduction may be:

- Per tax return — The state limits the amount that can be deducted in a year regardless of the number of beneficiaries or accounts.
- Per beneficiary — The state limits the amount per beneficiary that can be deducted in a year. The total deduction will depend on the number of beneficiaries on whose behalf 529 contributions have been made during the year.
- Per account — The state limits the amount per account that can be deducted in a year. Contributions to multiple accounts may be deducted even if they are for the same beneficiary.
- Unlimited — All contributions may be deducted.

Expenses matter

CollegeAmerica's average annual expense ratio of 0.74%[1] for Class 529-A shares is among the lowest in the industry. This chart shows how much more your clients would have had in their accounts over the five-, 10- and 15-year periods ended 12/31/07 if their 529 expense ratio was 0.74%. As you can see, selecting a 529 plan with lower expenses can outweigh the state tax benefits over time.

	How much more your clients would have had over …								
	Five years			10 years			15 years		
Compared to an annual expense ratio of:	1.25%	1.50%	1.75%	1.25%	1.50%	1.75%	1.25%	1.50%	1.75%
Initial investment amount									
$ 10,000	$ 344	$ 510	$ 674	$ 998	$ 1,472	$ 1,936	$ 2,174	$ 3,188	$ 4,170
12,000[2]	412	612	809	1,198	1,766	2,323	2,609	3,826	5,004
24,000[2]	825	1,223	1,618	2,395	3,533	4,647	5,218	7,652	10,008
60,000[3]	2,062	3,059	4,046	5,989	8,832	11,617	13,045	19,130	25,020
120,000[3]	4,124	6,117	8,092	11,977	17,664	23,233	26,090	38,261	50,040

All results assume hypothetical investments and are for illustrative purposes only. Actual results would have been different. Results were calculated using a net average annual total return of 8% (after all fees and expenses were deducted) and do not reflect a sales charge. Cost savings are calculated by subtracting the difference between CollegeAmerica's average expense ratio of 0.74% and the expense ratios shown in the table above from the 8% projected return. As a result, 7.49%, 7.24% and 6.99% were the net average annual total returns used for the 1.25%, 1.50% and 1.75% expense ratios, respectively.

1 CollegeAmerica's average annual expense ratio is for 529-A shares and does not include a $10 annual account fee or the $10 initial account setup fee. Annual expense ratios for the 22 CollegeAmerica funds range from 0.63% (Capital Income Builder, The Income Fund of America, The Investment Company of America and The Cash Management Trust of America) to 1.04% (SMALLCAP World Fund) for 529-A shares. The funds' investment adviser is waiving a portion of management fees. Expense ratios shown reflect the waiver for all funds except The Cash Management Trust of America. Without the waiver, expense ratios would have been higher. Please see each fund's most recent shareholder report or prospectus for details.

2 The maximum annual gift-tax exclusion amounts are $12,000 for individual taxpayers and $24,000 for married couples.

3 Under a special election, taxpayers can accelerate five years' worth of investments without gift-tax consequences. The maximum contribution amounts under this special election are $60,000 for individual taxpayers and $120,000 for married couples.

Contribution deduction table

State	Maximum contribution deduction (I: individual; J: joint)	Deduction limited to account owner only?	Subject to recapture[1]	Carryforward allowed[2]	2007 top marginal tax rate	Hypothetical year-one tax benefit for a $10,000 investment (I: individual; J: joint)[3]
Alabama	I/J: $5,000/tax return	No	Yes/No[4]	No	5.00%	I/J: $250
Alaska	No state income tax	—	—	—	—	—
Arizona	I: $750/tax return[5] J: $1,500/tax return[5]	No	Yes/No	No	4.54%	I: $34 J: $68
Arkansas	I: $5,000/tax return J: $10,000/tax return	No	Yes/Yes	No	7.00%	I: $350 J: $700
California	No deduction	—	—	—	—	—
Colorado	I/J: Unlimited	No	Yes/Yes	No	4.63%	I/J: $463
Connecticut	I: $5,000/tax return J: $10,000/tax return	No	No/No	5 years	5.00%	I: $250 J: $500
Delaware	No deduction	—	—	—	—	—
District of Columbia	I: $4,000/tax return J: $8,000/tax return[6]	Yes	Yes/No[7]	5 years	8.50%	I: $340 J: $680
Florida	No state income tax	—	—	—	—	—
Georgia	I/J: $2,000/beneficiary[8]	No	Yes[9]/Yes	No	6.00%	I/J: $120
Hawaii	No deduction	—	—	—	—	—
Idaho	I: $4,000/tax return J: $8,000/tax return	No	Yes/No[10]	No	7.80%	I: $312 J: $624
Illinois	I: $10,000/tax return J: $20,000/tax return	No	No/Yes	No	3.00%	I/J: $300
Indiana	I/J: $1,000 credit/tax return[11]	No	Yes/Yes[12]	No	3.40%	I/J: $1,000
Iowa	I: $2,685/beneficiary[13] J: $5,370/beneficiary[13]	Yes	Yes/Yes	No	8.98%	I: $233 J: $466

1 This column helps taxpayers determine whether it is necessary to add back to state taxable income ("recapture") previous deductions when 1) taking a nonqualified distribution or 2) rolling previously contributed amounts from an in-state plan to an out-of-state plan.
2 Some states allow taxpayers to carry forward deductions that they do not use in a given year. For those states, we have provided the time frame in which all deductions must be taken. When the phrase "unlimited" is used, taxpayers may carry forward their deductions indefinitely.
3 The hypothetical year one tax benefit is calculated by multiplying the maximum contribution deduction amount allowed in a particular state (up to $10,000) by the state's 2007 top marginal tax rate. Note: States allowing a carryforward may offer tax deduction benefits that extend beyond the first contribution year.
4 Alabama requires recapture at the rate of 110% of the amount of a nonqualified distribution.
5 The state allows deductions for contributions to *any* state's 529 plan. The deduction is available through 2012.
6 For joint filers, each spouse must establish a separate account to take the maximum deduction.
7 No recapture after two years of establishing the account.
8 Contributions made after 12/31 of the current year but before 4/15 of the following year may be deducted in the current year.
9 The earnings portion of a qualified withdrawal is subject to state taxes if the withdrawal is made within one year of establishing the account.
10 Recapture only if account owner rolls previously contributed amounts to an out-of-state plan within the first 12 months after the amounts were contributed to the in-state plan.
11 To calculate their credit, taxpayers should multiply their total annual contribution by 20%. The maximum credit allowed is $1,000 for a $5,000 contribution.
12 Account owners (including noncontributors) must repay all or part of the credit to the extent that any nonqualified withdrawal is made during a taxable year.
13 This amount is indexed annually for inflation.

Important note: The information in this chart was compiled from state statutes, program descriptions, state tax forms, informal state guidance and undocumented oral communications with state officials and program managers through December 2007. Tax rates and hypothetical year-one tax benefits are generally for calendar year 2007. While every effort was made to accurately report the tax features in all 50 states and the District of Columbia, we cannot guarantee the accuracy of the information in the chart. Moreover, certain features of a particular state's tax law, such as the deductibility of rollovers, a state's definition of non-QHEE withdrawals and other unique features or interpretations, may not be included in this chart. State tax law and the interpretations of state tax law, particularly in the area of 529 plans, change frequently. Before investing in any state's 529 plan, you should consult your tax adviser regarding the features of the 529 plan under consideration. For updated information about state tax benefits, visit the College Planning section at americanfunds.com/adviser.

Contribution deduction table (cont.)

State	Maximum contribution deduction (I: individual; J: joint)	Deduction limited to account owner only?	Subject to recapture[1]	Carryforward allowed[2]	2007 top marginal tax rate	Hypothetical year-one tax benefit for a $10,000 investment (I: individual; J: joint)[3]
Kansas	I: $3,000/beneficiary[14] J: $6,000/beneficiary[14]	No	Yes/No[15]	No	6.45%	I: $194 J: $387
Kentucky	No deduction	—	—	—	—	—
Louisiana	I: $2,400/account[16] J: $4,800/account[16]	Yes	Yes/No	No	6.00%	I: $144 J: $288
Maine	I/J: $250/beneficiary[17]	No	No/No	No	8.50%	I/J: $21
Maryland	I: $2,500/beneficiary[18] J: $5,000/beneficiary[18]	Yes	Yes/No	10 years	4.75%	I: $119 J: $238
Massachusetts	No deduction	—	—	—	—	—
Michigan	I: $5,000/tax return[19] J: $10,000/tax return[19]	Yes	Yes/No	No	4.35%	I: $217 J: $435
Minnesota	No deduction	—	—	—	—	—
Mississippi	I: $10,000/tax return[20] J: $20,000/tax return[20]	No	Yes/No	No	5.00%	I/J: $500
Missouri	I: $8,000/tax return[21] J: $16,000/tax return[21]	Yes	Yes/No	No	6.00%	I: $480 J: $600
Montana	I: $3,000/tax return J: $6,000/tax return	No[22]	Yes/No[23]	No	6.90%	I: $207 J: $414
Nebraska	I/J: $5,000/tax return	Yes	Yes/Yes	No	6.84%[24]	I/J: $342
Nevada	No state income tax	—	—	—	—	—
New Hampshire	No state income tax	—	—	—	—	—
New Jersey	No deduction	—	—	—	—	—
New Mexico	I/J: Unlimited	No	Yes/No	No	5.30%	I/J: $530
New York	I: $5,000/tax return[25] J: $10,000/tax return[25]	Yes[26]	Yes/Yes	No	6.85%[27]	I: $343 J: $685

14 The state allows deductions for contributions to *any* state's 529 plan.
15 No recapture after one year of establishing the account.
16 Unused portions of the deduction contribution limit in any year may be carried forward to subsequent years. Deduction contribution limits are doubled for families when either the family's federal AGI is less than $30,000 or the beneficiary on the account is entitled to a free school lunch under the Richard B. Russell National School Act.
17 The state allows deductions for contributions to *any* state's 529 plan. Taxpayers with a federal AGI above $100,000 (single filer) or $200,000 (joint filers) are not eligible for the deduction.
18 This interpretation is pursuant to a July 2002 release from the Attorney General's Office. For joint filers, each spouse must establish a separate account to take the maximum deduction.
19 For joint filers, married couples need only establish one account to take the maximum deduction.
20 Contributions made after 12/31 of the current year but before 4/15 of the following year may be deducted in the current year. For joint filers, married couples need only establish one account to take the maximum deduction.
21 The state allows deductions for contributions to *any* state's 529 plan.
22 A deduction may be taken only by a contributing account owner, spouse, child or stepchild (if the child or stepchild is a Montana resident).
23 No recapture after three years of establishing the account.
24 Taxpayers are subject to an additional tax ranging from 0.172% to 0.428% on federal adjusted gross income (AGI) above $156,400.
25 Deduction also reduces New York City taxable income for New York City residents. For joint filers, married couples need only establish one account to take the maximum deduction.
26 Any person may make a contribution to a New York state 529 plan, but only the account owner is eligible for a deduction.
27 The maximum tax rate for New York City residents is 3.648% in addition to the maximum state tax rate of 6.85%. For an individual New York City resident, the additional hypothetical year one tax benefit is $182 ($365 for joint filers).

Contribution deduction table (cont.)

State	Maximum contribution deduction (I: individual; J: joint)	Deduction limited to account owner only?	Subject to recapture[1]	Carryforward allowed[2]	2007 top marginal tax rate	Hypothetical year-one tax benefit for a $10,000 investment (I: individual; J: joint)[3]
North Carolina	I: $2,500/tax return[28] J: $5,000/tax return[28]	No	Yes/No	No	8.00%	I: $200 J: $400
North Dakota	I: $5,000/tax return J: $10,000/tax return	No	No	No	5.54%	I: $277 J: $554
Ohio	I/J: $2,000/beneficiary	No	Yes/No	Unlimited	6.87%	I/J: $137
Oklahoma	I: $10,000/tax return[29] J: $20,000/tax return[29]	No	Yes/No[30]	5 years	5.65%	I/J: $565
Oregon	I: $2,000/tax return[31] J: $4,000/tax return[31]	No	Yes/No	4 years	9.00%	I: $180 J: $360
Pennsylvania	I: $12,000/beneficiary[32] J: $24,000/beneficiary[32]	No	No/No	No	3.07%	I: $307 J: $614
Rhode Island	I: $500/tax return J: $1,000/tax return	Yes	Yes/No[33]	Unlimited	9.90%	I: $50 J: $99
South Carolina	I/J: Unlimited[34]	No	Yes/No	No	7.00%	I/J: $700
South Dakota	No state income tax	—	—	—	—	—
Tennessee[35]	No state income tax	—	—	—	—	—
Texas	No state income tax	—	—	—	—	—
Utah	I: $1,650/beneficiary[36] J: $3,300/beneficiary[36]	Yes	Yes/Yes	No	6.98%	I: $113 J: $226
Vermont	I: $250 credit/beneficiary[37] J: $500 credit/beneficiary[37]	No	Yes/No	No	9.50%	I: $250 J: $500
Virginia	I/J: $2,000/account[38] Unlimited if 70 or older[39]	Yes	Yes/Yes	Unlimited	5.75%	I/J: $115
Washington[40]	No state income tax	—	—	—	—	—
West Virginia	I/J: Unlimited	No	Yes/No	5 years	6.50%	I/J: $650
Wisconsin	I/J: $3,000/beneficiary[41]	No	No/No	No	6.75%	I/J: $203
Wyoming[42]	No state income tax	—	—	—	—	—

28 Beginning in 2012, no deduction will be allowed for single filers with federal adjusted gross income (AGI) of $60,000 or more (federal AGI of $100,000 or more for joint filers).
29 Contributions made after 12/31 of the current year but before 4/15 of the following year may be deducted in the current year.
30 No recapture after one year of the date of the contribution. Further recapture rules apply for taxpayers who qualify for the five-year carryforward election.
31 Contributions made after 12/31 of the current year but before 4/15 of the following year may be deducted in the current year. Both the individual and joint deductions are indexed annually for inflation.
32 The deduction limit is equal to the federal annual gift tax exclusion amount. Residents making a contribution to any state's plan are eligible for a deduction. For joint filers, each spouse must have $12,000 of taxable income to take the maximum deduction.
33 No recapture after two years of establishing the account.
34 Contributions made after 12/31 of the current year but before 4/15 of the following year may be deducted in the current year.
35 Currently does not offer an in-state savings plan.
36 These amounts are indexed annually for inflation. Beneficiary must be younger than 19 at the time the account was established for any contributions to be eligible for a deduction. Taxpayers paying Utah state income tax under the single rate method may claim a credit of up to $82.50 ($165 for joint filers) per beneficiary for contributions to the Utah 529 plan.
37 A taxpayer may take a tax credit of 10% of the first $2,500 contributed to a beneficiary's Vermont 529 plan (maximum $250 for an individual filer; $500 for a joint filer).
38 CollegeAmerica is sponsored by Virginia College Savings Plan. Deduction is allowed for rollovers from other 529 plans as well as contributions from Coverdell, qualified savings bonds and UGMA/UTMA accounts. To take more than one $2,000 deduction for the same owner/beneficiary, each account must have different investments. The maximum contribution deduction will increase to $4,000 in 2009.
39 All contributions made before age 70 may be deducted in full in the tax year when the account owner turns 70.
40 Currently does not offer an in-state savings plan.
41 Beneficiary of the account must be the taxpayer or taxpayer's spouse, dependent child, grandchild, great-grandchild, niece or nephew.
42 Currently does not offer an in-state savings plan.

State matching contributions table

On the next two pages we show those states that currently offer residents matching contributions to an in-state 529 savings plan. For more detailed information about these individual state's matching contributions, we encourage you to consult the 529 program description or contact a representative of the in-state 529 plan.

	Colorado	Kansas	Louisiana	Maine	Michigan
State residency requirement	Account owner and beneficiary must be residents.	Account owner must be a resident.	Account owner or beneficiary must be a resident.	Account owner or beneficiary must be a resident.	Beneficiary must be a resident.
Beneficiary age limit	12 or younger when initially applying for a matching contribution.	None	None	None	6 or younger when account is opened.
Maximum income limit[1]	Varies per year[2]	Varies per year[3]	None	$57,000 (inflation indexed)	$80,000
Minimum in-state 529 contribution[4]	$25	$100	$10	$50 ($200 within five years of the initial match)	$25
Match formula	Every $1 contributed is matched with $1.	Every $1 contributed is matched with $1.	Contributions are matched on a sliding scale based on income. Matches start at 14% for incomes under $30,000 and drop to 2% for incomes over $100,000.[1]	Contributions are matched at 50% of the contribution amount.	Every $3 contributed is matched with $1.
Maximum match amount	$500 a year for five years	$600	2% to 14% of annual contributions	$200 a year	$200 for the first year only
Events that could cause partial or complete forfeiture of match amounts[5]	Forfeiture of match amounts included in an account where: • the beneficiary isn't a tax dependent of the account owner. • a qualified withdrawal isn't made within four years after a beneficiary is eligible to make such withdrawals (typically age 18). All match amounts are forfeited six years after a beneficiary is eligible to take withdrawals (typically age 18).	This is a pilot program limited to 1,200 participants in 2008.	Forfeiture of match amounts included in: • an account that has been terminated. • any portion of the account that has had a beneficiary change and the new beneficiary is not a family member of the previous beneficiary. • any portion of the account that has been transferred to a different 529 plan.	Forfeiture of match amounts included in: • an account that has been closed. • any portion of the account that has been rolled over to a beneficiary who previously received a match. • the remaining account balance is less than the match after a non-qualified withdrawal. • an account where the owner has changed.	Forfeiture of all match amounts in the account when the beneficiary: • doesn't attend an eligible educational institution. • dies, becomes permanently disabled or receives a full scholarship. • is 30 or older and an account balance still exists.
Website	collegeinvest.org	learningquestsavings.com	startsaving.la.gov	famemaine.com	misaves.com

1 Based on joint federal adjusted gross income (AGI).
2 Family's federal AGI must be less than 200% of the Federal Poverty Level but no more than the state's median family income. See collegeinvest.org.
3 Family's federal AGI must not be more than 200% of the Federal Poverty Level. See learningquestsavings.com.
4 Minimum contributions may be lower in a payroll deduction plan or other systematic investment program.
5 May cause forfeiture of earnings on match amounts as well.

State matching contributions table (cont.)

	Minnesota	New Jersey	North Dakota	Pennsylvania	Rhode Island
State residency requirement	Account owner must be a resident if the beneficiary is under 25. If 25 or older, the beneficiary must be a resident.	Account owner or beneficiary must be a resident when the beneficiary attends college.	Account owner must be a resident and account must have been opened on or after 7/1/07.	Account owner must be a resident. Match is from a special account that may be used for matches to the Pennsylvania 529 plan.	Account owner must be a resident.
Beneficiary age limit	None	None	None	None	9 or younger when account is opened.
Maximum income limit[1]	$80,000	None	Individual: $20,000 Joint: $40,000	Varies per year[6]	$53,000
Minimum in-state 529 contribution[4]	$200	$1,200	$25	$10 a week	$50
Match formula	Contributions by those with incomes under $50,000 receive a 15% match while those with incomes between $50,001 and $80,000 receive a 5% match.[1]	Matches are based on account balance and years account is maintained. Matches begin at $500.	Every $1 contributed is matched with $1.	Every $1 contributed is matched with $1.	Every $1 contributed is matched with $1 or $2, depending on income level or family size. After five years, accounts are not eligible for matches.
Maximum match amount	$400 a year	$1,500	$300 for the first year only	$1,000 a year for two years	$1,000 a year for five consecutive years
Events that could cause partial or complete forfeiture of match amounts[5]	Forfeiture of match amounts included in: • any money transferred from the account. • any portion of the account that has had a beneficiary change. • an account when a beneficiary receives a scholarship or attends a U.S. military academy. • a nonqualified withdrawal.	The match may be awarded to a beneficiary only once for the beneficiary's first semester at any college in New Jersey.	Matching grant may not be available if the account owner and the participant are the same person.	If the 529 account is terminated, the match and any earnings will be forfeited completely.	Forfeiture of match amounts included in: • a nonqualified withdrawal. • any portion of the account that has had a beneficiary change, except in the case of death or disability of a previous beneficiary.
Website	mnsaves.org	njbest.com	collegesave4u.com	nowu529.com	riheaa.org

[6] Family's federal AGI must not be more than 200% of the Federal Poverty Level. Also, household net worth should not exceed $10,000. See nowu529.com.

The CollegeAmerica advantage

State tax and matching contribution benefits are just two factors you should consider when selecting a 529 savings plan for your clients. How the investments are managed, the manager's commitment to consistent long-term results and lower annual operating expenses can outweigh the state benefits your clients would receive from investing in an in-state 529 savings plan over the long haul. CollegeAmerica offers:

- **Choice:** With 22 American Funds to choose from, you can create an individualized portfolio to meet each client's specific needs.
- **Flexibility:** You're not locked into a single choice. You can choose to keep the same investments for many years or adjust them every few years as a beneficiary reaches college age.
- **Low expenses:** CollegeAmerica's operating expenses are among the lowest in the mutual fund industry. Over the long haul, lower expenses can mean more money for investors. (See **Expenses matter** table on page 2.)

Here are some CollegeAmerica tools you may want to order or download at **americanfunds.com/adviser**:

- *She Wants to Be a Doctor* brochure
- *CollegeAmerica Program Description*
- Prospecting postcards and letters
- Employer-sponsored material
- Fund prospectuses

For more information or to order 529 sales literature, you can also call **800/421-9900, ext. 529**.

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