



## Oklahoma 529 College Savings Plan

**November 28, 2005**

### **Information Notice**

#### **Increase In Federal Gift Tax Exclusion**

Effective January 1, 2006, the federal annual gift tax exclusion has been increased from \$11,000 to \$12,000 as a result of an inflation adjustment. Generally, no federal gift tax will be imposed on an account owner for gifts to a beneficiary during a year if the account owner's contributions to an account for the beneficiary, together with all other gifts by the account owner to the beneficiary for years after 2005, do not exceed \$12,000 during the year, or \$24,000 for a married individual who elects to split gifts with his or her spouse. If an account owner's contributions to accounts for a beneficiary in a single year (after 2005) exceed \$12,000, the account owner may elect to treat up to \$60,000 of the contributions, or \$120,000 in the case of a consenting married couple, as having been made ratably over a five-year period.

#### **Important Information About Hurricanes Katrina, Rita and Wilma**

For taxpayers affected by Hurricanes Katrina, Rita and Wilma, the deadline for rolling over amounts from qualified 529 tuition plans has been extended. Rollovers are when a withdrawal from a qualified tuition plan is deposited into another account in the same qualified tuition plan, or when funds are directly transferred from one qualified tuition plan to another qualified tuition plan.

Generally, a distribution from a qualified 529 tuition plan must be rolled over into another qualified 529 tuition plan within 60 days in order to exclude the distribution from federal income taxation. However, taxpayers affected by these hurricanes may exclude a distribution from federal taxable income if the rollover deadline would normally fall on a date after the disaster and the rollover will be completed by the later of: (1) the 60<sup>th</sup> day after the distribution date, or (2) February 28, 2006. Affected taxpayers include those individuals who reside within the states and counties designated by President Bush as disaster areas, as well as businesses whose principal place of business is within those areas and certain other taxpayers. For a complete list of the designated states, counties and affected taxpayers, you may call toll free 1 866 562-5227 or visit [www.irs.gov](http://www.irs.gov).



FINANCIAL SERVICES  
FOR THE GREATER GOOD™

**The tax information in this notice was not intended or written to be used, and it cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. With respect to such matters, you should seek advice based on your own particular circumstances from an independent tax advisor.**

**Consider the investment objectives, risks, charges and expenses before investing in the Oklahoma College Savings Plan. Please visit [www.ok4saving.org](http://www.ok4saving.org) 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.**

TIAA-CREF Tuition Financing, Inc.'s affiliate broker dealer, TIAA-CREF Individual & Institutional Services, LLC, member NASD, SIPC, distributes the Oklahoma College Savings Plan. The State of Oklahoma, 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 Oklahoma College Savings Plan under the Funding Agreement for the Guaranteed Option. Account value will fluctuate based upon a number of factors, including general market conditions.