



## Ensure a Brighter Future for Your Children's Education Future

*A 529 Plan Helps Families Save*

By Dr. Carl P. Rollins, executive director,  
Kentucky Higher Education Assistance Authority

With graduations over and summer under way, many families are reminded of just how quickly children grow up and head off to college. Fortunately, parents can start preparing for higher education expenses well before their children leave for school with Kentucky's 529 college savings plan, the Kentucky Education Savings Plan Trust (KESPT).



The General Assembly created the Trust more than 25 years ago to help families plan for future college expenses. Since that time, the Plan has helped nearly 4,000 students achieve their dreams of going to college, with more than \$63 million used to fund higher education expenses. Today, KESPT serves 6,700 Kentucky families.

That's a small percentage, however, of parents who are working hard across the Commonwealth to secure a bright future for their children. That's why we are in support of additional college savings incentives, such as a state income tax deduction for contributions into KESPT.

Families who set aside money for college find that it's far less expensive to save than it is to borrow. And those benefits extend beyond the home. Imagine the long-term economic impact of having more college graduates with greater earning potential and fewer families struggling to pay back debt and interest fees.

Unfortunately, students across the country are graduating with increasing student loan debt every year. According to a report released by the Federal Reserve Bank of New York last year, student loan debt surpassed credit card debt in 2010 to become the second largest form of household debt after mortgages. The average debt per borrower and the number of borrowers both increased by 70% from 2004 to 2012, to \$25,000 and 39 million, respectively.

One possible reason for the increased dependence on student loans and the relatively low participation in 529 plans is a lack of awareness. The Kentucky College Savings Report, administered by ORC International and sponsored by KESPT in 2013, found that while 82 percent of Kentucky parents consider saving for college a priority, only two-thirds are familiar with 529 plans.

There is also a misconception that college savings plans are just for the wealthy. Yet a 2014 survey conducted for the College Savings Foundation found that working families are the main users of 529 plans, with 57% of those families having household incomes below \$100,000.

### Spotlight: Take on the Great Outdoors

*Enjoy activities with Family & Friends*

## TAKE A HIKE!!!

### June 6 is National Trails Day

National Trails Day is June 6. Launched by the American Hiking Society in 1993 to help promote exercise, trail development and the outdoors, National Trails Day has grown to more than 2,000 events around the country.

Visit a Kentucky State Park, whose system has more than 300 miles of hiking trails throughout the state. Or check out one of many local parks or destinations such as the Dawkins Line Rail Trail. This 18-mile trail features 24 trestles and the Gun Creek Tunnel, which is 662 feet long. The trail follows the old Dawkins Line railroad bed that runs from Hagerhill in Johnson County to Royalton in Magoffin County. The Dawkins Line Rail Trail is the largest rail-to-trail in the state.

For more information visit [www.parks.ky.gov](http://www.parks.ky.gov). Also go to [www.americanhiking.org](http://www.americanhiking.org) for events at other Kentucky locations.

## CAMP OUT!!!

### June 20 is The Great American Campout

E.P. "Tom" Sawyer State Park in Louisville will join thousands of families across the nation gathering in their backyards, neighborhoods, communities, and parks on June 20 in celebrating a night of camping for the 11<sup>th</sup> Annual Great American Campout, presented by the National Wildlife Federation.

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## Cary Bishop Sworn in as KAAA Treasurer

Attorney Cary Bishop (pictured far left), with the Office of General Counsel, was recently sworn in as treasurer of the Kentucky Association of Administrative Adjudicators.

KAAA is a state affiliate of the National Association of Administrative Law Judiciary (NAALJ). Members are attorneys and non-attorneys working full or part-time as administrative law judges, hearing officers, hearing examiners and referees on the federal, state, and local level.



### Savings from Pg. 1

Families can open a KESPT account with as little as \$25. If an employer allows payroll deduction, the minimum contribution drops to just \$15 per pay period.

Besides offering an affordable way to save for college, 529 plans offer flexibility since funds can be used for more than just tuition. For example, a 529 plan can pay for any required cost of attendance such as books, computers, and certain room and board expenses. Plus, a 529 plan, including KESPT, can be used nationwide at not only four-year colleges, but also accredited two-year colleges, technical schools and graduate schools.



Whether you are a new parent opening a 529 plan account for an infant or a grandparent helping grandkids with regular contributions, planning for college at any age makes good financial sense. Earnings in a 529 plan are free from federal and state income tax when withdrawals are used for qualified education expenses. So the earlier a family starts saving, the more time the money has to grow tax-free.

KESPT savings are not included in determining the amount of Kentucky need-based aid that a beneficiary will receive.

As a former Kentucky state representative, House Education Committee chair and current executive director of the Kentucky Higher Education Assistance Authority, I am committed to fostering a college-going culture in Kentucky. If we are going to improve access to higher education for students, we must help families prepare for the financial obligations.

I encourage you to consider the benefits of a KESPT college savings account today. For more information, please call 1-877-598-7878 or visit [kysaves.com](http://kysaves.com).



**2015 Relay for Life  
New Location  
June 13, 2015  
CIVIC CENTER  
4:00 pm – 12:00 am**

The American Cancer Society Relay For Life is the world's largest and most impactful fundraising event to end cancer. It unites communities across the globe to celebrate people who have battled cancer, remember loved ones lost, and take action to finish the fight once and for all. Today, with the support of thousands of volunteers like you, the American Cancer Society is helping save more than 400 lives a day. And we won't stop until we finish the fight against cancer! Join in!

For more information on the Frankfort/Franklin County Relay for life, contact Margaret Puckett in Facilities and Support services at [margaret.puckett@ky.gov](mailto:margaret.puckett@ky.gov).

### Outdoors from Pg. 1

In conjunction with Great Outdoors Month, the annual event encourages people of all ages to camp in their backyards, neighborhoods, parks and campgrounds, as a way to reconnect with nature.

E.P. "Tom" Sawyer State Park invites families to camp under the stars in the picnic grove area of the park on June 20. The day will begin with tips and tricks on basic campsite set-up including learning about the Leave No Trace ethics from the park naturalist. Families will have the opportunity to learn archery, go on guided hikes, participate in field games, take a dip in the swimming pool, listen to stories while making s'mores at the campfire, and do some stargazing. The Louisville Astronomical Society will be conducting educational sessions.

The fee is \$25 per family of four, \$5 each additional family member and includes all activities and a hot dog and chips dinner. Campsite set up begins at 2 p.m. with activities to follow beginning at 4 p.m. Contact the park at 502-429-7270 for registration details. For more information about this event or to get involved, contact Lora Sekeres, 502-429-7270, [lora.sekeres@ky.gov](mailto:lora.sekeres@ky.gov)