

Savings in a START account can be used to pay a Beneficiary's qualified higher education expenses, which may include tuition, fees, books, supplies, equipment, room and board, at any eligible college or university (in or out of state) or eligible state technical college or proprietary school.

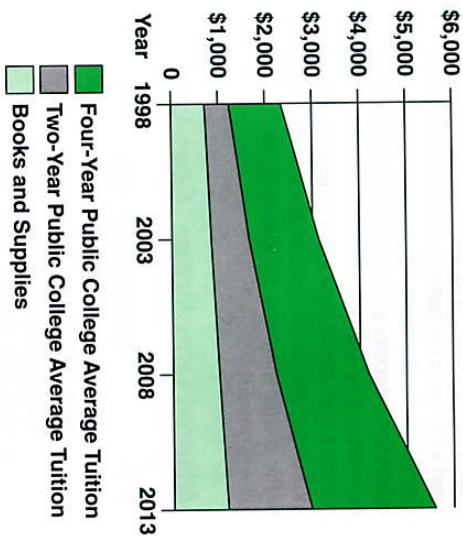
Accounts may be opened for your children, grandchildren, a child under your legal guardianship or a child you claim as a dependent on your federal income tax return. You may open as many accounts as you like, but each account may have only one Beneficiary.

START estimates the amount that will be needed to pay qualified expenses when the Beneficiary enrolls in college and suggests a monthly deposit that will satisfy those projected costs. Deposits may be made by these payment options:

- *electronic funds transfer*
- *payroll deduction (with employer participation)*
- *deposits mailed directly to START, either monthly or in single or multiple lump sum contribution(s)*

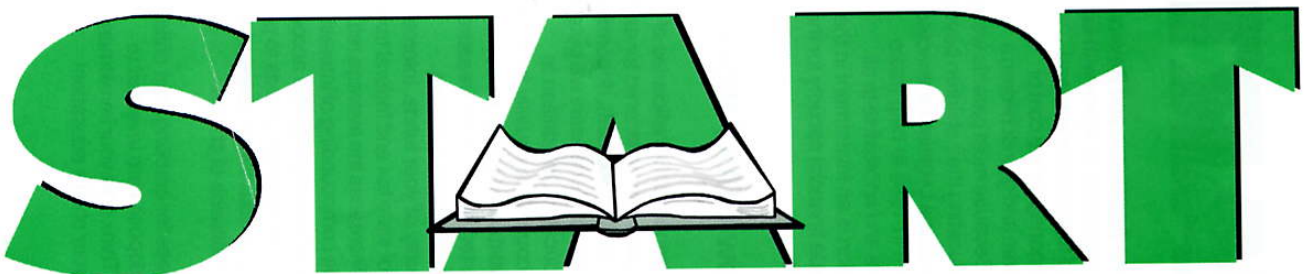


Fifteen Year Projection of Higher Education Costs in Louisiana*



*The chart assumes that the average cost of tuition will increase at the rate of 6 percent annually and that books and supplies will increase at the rate of 3.3 percent annually. Projected costs do not include room and board. For school year 1998-99, the average cost for room and board at a four-year public college or university in Louisiana was \$2,612. Although not reflected in the chart, it is assumed that the cost for room and board will inflate at the rate annually reported for similar goods and services.

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LOUISIANA'S COLLEGE SAVINGS PROGRAM

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START

is the **Student Tuition Assistance and Revenue Trust Program**, an innovative program with tax incentives designed to assist parents and grandparents in preparing for the cost of providing their children and grandchildren a college education. Because most parents worry about the cost of educating their children beyond high school, the Louisiana Legislature enacted the START Program in 1995 to help make education affordable and accessible to all families. An education is an investment in the future and will provide financial security for the children of Louisiana.

Here's How START Works

Accounts may be opened for Beneficiaries of any age. A savings plan can be tailored for each child (the Beneficiary of the account), depending upon where and when the Beneficiary will pursue his or her college education. In addition to earning interest, accounts may qualify for state awarded Tuition Assistance Grants. Deposits and grants are invested by the State Treasurer to earn the highest rate of interest possible, consistent with security of your funds. Interest earnings grow free of state tax and federal taxes are deferred, which increases the average return on deposits. With the compounding of interest earned on both deposits and grants, the account value will grow over time, providing funds to pay the Beneficiary's higher education expenses at the postsecondary institution of choice.

Since there are no fees for enrolling your child in START, all of your deposits are invested to generate earnings. Think how your investment will safely grow for your child's education!

Tuition Assistance Grants

As an incentive to save, the state of Louisiana allocates tuition assistance grants to each qualifying account. To qualify, deposits of at least \$100 must be made annually. The Account Owner's federal adjusted gross income determines the rate at which annual deposits will be matched by the state. The amount of an annual tuition assistance grant is determined by multiplying annual deposits by the rate applicable to the owner's income, as shown in the following chart.

Adjusted Gross Income Grant Rate

0 to \$14,999	14%
\$15,000 to \$29,999	12%
\$30,000 to \$44,999	10%
\$45,000 to \$59,999	8%
\$60,000 to \$74,999	6%
\$75,000 to \$99,999	4%
\$100,000 & above	0%

To determine how this chart applies to you, consider the following example. A family with a federal adjusted gross income of \$25,000 deposits \$50 a month (\$600 per year) in a START Saving Account. In July of the following year, after income has been verified, the state will allocate a tuition assistance grant equal to 12 percent of the deposits (\$72). The tuition assistance grant will be invested and earnings will be credited to the account along with earnings from deposits made by the Account Owner.

Enroll newborns at any time.
Children more than a year old
may be enrolled annually
between July 1 and November 1.

Investment Advantages

- Louisiana's START Saving Program is a qualified state tuition program under federal tax law. That means the program has no tax obligations that might otherwise reduce your rate of return on deposits.
- When your funds are disbursed to pay a Beneficiary's qualified education expenses, only the earnings will be subject to federal tax (not your deposits nor tuition assistance grants), and then at the Beneficiary's normally lower tax rate. An added bonus of this state program is that your earnings will not be taxed by the state.
- Savings may be used to pay a Beneficiary's qualified higher education expenses at any in-state or out-of-state accredited postsecondary college or university or any in-state technical or eligible proprietary school. Tuition assistance grants and earnings on grants, however, may only be used to pay tuition at in-state schools.
- The state pays all administrative costs, ensuring that earnings will never be used to pay program operating expenses (which could reduce your returns) and that 100 percent of every deposit will be invested to generate earnings.

To speak to a representative,
call (800) 259-5626

START is on the Internet at
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