

Category VI: The account owner is any other person or any government entity desiring to make an irrevocable donation; and, at the time the account is opened:

- (i) the beneficiary is a resident of the state, and
- (ii) the federal adjusted gross income of the beneficiary's family is less than \$30,000 or the beneficiary is eligible for a free lunch under the Richard B. Russell National School Act, and
- (iii) The beneficiary is not a member of the account owner's family nor a member of the family of any member or employee of the Louisiana Tuition Trust Authority (LATTA) or Louisiana Office of Student Financial Assistance (LOSFA).

EARNINGS ENHANCEMENTS

In addition to regular earnings on investments, accounts in Categories I, II and III will receive a contribution from the state, called "Earnings Enhancements," to match a percentage of their annual deposits, ranging from 14 percent to two percent and determined by the account owner's prior year federal adjusted gross income as reported to the Internal Revenue Service (IRS). Category IV accounts will receive Earnings Enhancements that match two percent of annual deposits. For example: If an employer opens a Category IV account for the benefit of an employee's child, that account will receive an annual Earnings Enhancement that will match two percent of deposits made by the employer during the year. Category V accounts are not entitled to state matching contributions, but are eligible for state income tax exemptions. Accounts classified in Category VI are eligible to receive Earnings Enhancements, based on the federal adjusted gross income reported for the previous year by the beneficiary's family.

The chart explains how the Earnings Enhancement rate is determined.

Reported Federal Adjusted Gross Income	Earnings Enhancement Rate
\$0 to \$29,999	14%
\$30,000 to \$44,999	12%
\$45,000 to \$59,999	9%
\$60,000 to \$74,999	6%
\$75,000 to \$99,999	4%
\$100,000 and above	2%

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Find us on Facebook:
<http://www.facebook.com/LOSFA>

DISCLAIMERS: This brochure provides an overview of the START Saving Program. It does not disclose all the facts or potential risks associated with the Program. If you are interested in opening an account, you must first read the START Disclosure Booklet and Participation Agreement, which explain the potential risks of investing in the Program. The documents are accessible at www.startsaving.la.gov or by mailing a request to the address above.

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For more information about Vanguard funds, visit www.start-saving.la.gov or call 1-800-259-5626, to obtain a Vanguard prospectus. Investment objectives, risks, charges, expenses and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

This public document was published at a total cost of \$2,295.98. Thirty five thousand copies of this public document were published in this first printing at a cost of \$2,295.98. The total cost of all printing of this document including reprints is \$2,295.98. This document was published by the Louisiana Tuition Trust Authority, P.O. Box 91271, Baton Rouge, La. 70821-9271 and printed by Moran Printing, 5425 Florida Blvd., Baton Rouge, LA, 70806, to inform parents and students about the START Saving Program, under special exemption by the Division of Administration. This material was printed in accordance with the standards for printing by state agencies established pursuant to R.S. 43:31.

LOSFA



START
SAVING FOR COLLEGE

Student Tuition Assistance and Revenue Trust Program

A College Savings Program Offered by the State of Louisiana as a "529 Plan" Under the Internal Revenue Code

March 2015 Edition

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WHAT IS START?

The START (Student Tuition Assistance and Revenue Trust) Saving Program is an innovative college savings program that qualifies as a "529 Plan" under the Internal Revenue Code. START offers federal and state tax incentives to anyone who wishes to financially assist a student in acquiring a college education. Because most families 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. A college education is an investment in the future.

HOW DOES START WORK?

An Education Savings Account (ESA) may be opened for beneficiaries of any age, at any time during the year. A savings plan can be tailored for each beneficiary, depending upon where and when the beneficiary will enroll in college. There are six ESA categories:

Category I: The account owner is the parent, grandparent, court-ordered custodian or person claiming the beneficiary as a dependent on their federal income tax return and, at the time the account is opened, the account owner or beneficiary is a resident of the state.

Category II: The account owner is a person who is a member of the family of the beneficiary and, at the time the account is opened, the account owner or beneficiary is a resident of the state. Members of the beneficiary's family include brothers, sisters, aunts, uncles, first cousins, spouses, in-laws, step-parents and stepsiblings.

Category III: The account owner is an independent student who is a resident of the state and is also the named beneficiary.

Category IV: The account owner is any other person or juridical entity and, at the time the account is opened, the beneficiary is a resident of the state.

Category V: The account owner is any other person or juridical entity that, at the time the account is opened, is a resident of the state and the beneficiary is not a resident of the state.

INVESTMENT FUNDS

Deposits into START accounts are invested by the LATTA in one or more of the following funds based on the account owner's investment choices. The percentage for each fund selected must be a whole number and the total for all funds must equal 100%. Only **ONE** Age Based Track Fund may be selected. There are no purchase fees charged for deposits into START investment funds. Account owners own an interest in the START Saving Program, but do not own shares of the underlying Vanguard Funds.

Louisiana Principal Protection Fund

Most conservative of all START investment funds; 100% Invested in Fixed Earnings; managed by the State Treasurer; the State of Louisiana guarantees the return of principal.

Age-Based Moderate Track Fund

As the beneficiary ages, the fund transitions to progressively more conservative investment funds.

Ages 0 - 5: Vanguard LifeStrategy Moderate Growth Fund (VSMGX) **Risk/Return Level - 3**

Ages 6 - 10: Vanguard LifeStrategy Conservative Growth Fund (VSCGX) **Risk/Return Level - 3**

Ages 11 - 15: Vanguard LifeStrategy Income Fund (VASIX) **Risk/Return Level - 2**

Ages 16+: Louisiana Principal Protection Fund
Most conservative of the Age-Based tracks. Account owners give up the potential for greater returns in exchange for less risk.

Age-Based Growth Track Fund

As the beneficiary ages, the fund transitions to progressively more conservative investment funds.

Ages 0 - 5: Vanguard LifeStrategy Growth Fund (VASGX) **Risk/Return Level - 4**

Ages 6 - 10: Vanguard LifeStrategy Moderate Growth Fund (VSMGX) **Risk/Return Level - 3**

Ages 11 - 15: Vanguard LifeStrategy Conservative Growth Fund (VSCGX) **Risk/Return Level - 3**

Ages 16+: Louisiana Principal Protection Fund
Somewhat more aggressive than the Age-Based Moderate Track.

Age-Based Aggressive Growth Track Fund

As the beneficiary ages, the fund transitions to progressively more conservative investment funds.

Ages 0 - 8: Vanguard LifeStrategy Growth Fund (VASGX) **Risk/Return Level - 4**

Ages 9 - 12: Vanguard LifeStrategy Moderate Growth Fund (VSMGX) **Risk/Return Level - 3**

Ages 13 - 15: Vanguard LifeStrategy Conservative Growth Fund (VSCGX) **Risk/Return Level - 3**

Ages 16+: Louisiana Principal Protection Fund
Most aggressive of the Age-Based tracks. Account owners accept greater risk in exchange for the possibility of a higher rate of return.

Vanguard Total World Stock Index Fund, Investor Shares (VTWSX) Risk/Return Level - 4

Designed to track the performance of the FTSE® All-World Index, a free-float-adjusted, market-capitalization-weighted index designed to measure the market performance of large- and mid-capitalization stocks of companies located in developed and emerging markets around the world.

Vanguard Institutional Total Stock Market Index Fund, Institutional Shares (VITNX) Risk/Return Level - 4

Designed to track the performance of the MSCI® US Broad Market Index, which represents 99.5% or more of the total market capitalization of all the U.S. common stocks regularly traded on the New York Stock Exchange and the NASDAQ over-the-counter market.

Vanguard Total International Stock Index Fund, Institutional Shares (VTSNX) Risk/Return Level - 4

Designed to track the performance of the MSCI® EAFE + Emerging Markets Index, an index designed to measure the performance of stocks of companies located in Europe, the Pacific Region, and emerging markets countries.

Vanguard Small-Cap Index Fund Admiral Shares (VSMAX) Risk/Return Level - 5

Designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of smaller U.S. companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighing in the Index.

Vanguard Mid-Cap Index Fund Admiral Shares (VIMAX) Risk/Return Level - 5

Designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of medium sized U.S. companies. The Fund attempts to

replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighing in the index.

Vanguard Large-Cap Index Fund Admiral Shares (VLCAX) Risk/Return Level - 4

Designed to trace the performance of the CRSP US Large Cap Index, a broadly diversified index of stock of large sized U.S. companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighing in the index.

NOTE on Vanguard Risk/Reward Potential Levels: The potential for risk in Vanguard funds can be categorized in levels from 1 to 5, with Level 1 being the most conservative and Level 5 being most aggressive. Conservative funds are Risk Level 1. These funds' share prices are expected to remain stable or to fluctuate only slightly. Such funds may be appropriate for the short-term reserves portion of a long-term investment portfolio, or for investors with short-term investment horizons (three years or less). Conservative to Moderate funds are Risk Level 2. These funds are subject to low-to-moderate fluctuations in share prices. In general, such funds may be appropriate for investors with medium-term investment horizons (4 to 10 years). Moderate funds are Risk Level 3. These funds are subject to a moderate degree of fluctuation in share prices. In general, such funds may be appropriate for investors who have a relatively long investment horizon (more than 5 years). Moderate to Aggressive funds are Risk Level 4. These funds are broadly diversified but are subject to wide fluctuations in share price because they hold virtually all of their assets in common stocks. These funds may be more appropriate for investors who have a long-term investment horizon (10 years or more). Aggressive funds are Risk Level 5. These funds are subject to extremely wide fluctuations in share price and may be appropriate for investors who have a long-term investment horizon (10 years or more). The unusually high volatility associated with these funds may stem from a number of strategies.

IT IS POSSIBLE THAT MONIES INVESTED IN VARIABLE EARNINGS WILL LOSE VALUE. INVESTMENT RETURNS ARE NOT GUARANTEED.
See the START Disclosure Booklet at www.startsaving.la.gov/savings/terms.jsp for a detailed discussion of Investor Risks.

ADVANTAGES

The START Saving Program is an efficient way of promoting college access that will help ensure an educated workforce, enabling Louisiana to compete in the global economy. Below are a few of the many advantages to families investing in the START Saving Program:

- Earnings grow tax deferred and, when used to pay a beneficiary's qualified higher education expenses, are not taxed by the state or federal government.¹
- An account balance may be used to pay the qualified higher education expenses of the beneficiary at any accredited college or university (in or out of state). This includes any campus of the Louisiana Technical College and state-approved proprietary schools.
- Deposits can be made through automatic bank debit, payroll deduction or direct payment (including lump sums). There is no limitation on the frequency of deposits and the minimum deposit is only \$10.00.
- Up to \$2,400 in deposits per account per year can be deducted from taxable income reported to the state, or, if the account owner files a joint return, \$4,800 in deposits per account per year can be deducted. Account owners who deposit less than the maximum per account in any one (1) year may carry over the unused portion of the exemption to future years.
- Deposits will be treated as completed gifts for federal gift tax purposes, so the beneficiary pays no taxes.
- The beneficiary of an account may be changed to another family member without tax consequences.
- No fees are charged to participate in the START Saving Program. The START Saving Program is charged an investment management fee of up to 50 basis points per year (a very competitive rate) on monies invested in mutual funds offered by The Vanguard Group.

¹ Earnings on withdrawals that are not used to pay qualified higher education expenses may be subject to federal income tax and a ten percent federal tax penalty.