

# Bright Directions Planner

▶ Third Quarter 2021



## Get to Know Your 529

Having a Bright Directions 529 account puts you ahead of the game. But sometimes it's good to brush up on the basics to make sure you're getting the most out of the dollars you're saving. Let's try a couple quick questions:



### What Kind of Portfolio Do You Have?

Bright Directions offers Age-Based, Target, and Individual Portfolios — each tailored to different investment styles. All options are diverse and flexible to meet your investing needs.



### What Can You Spend Your 529 Savings On?

You can spend the money you save on tuition, room, board, and books — but also school supplies like computers.<sup>1</sup>



### What's Your Level of Risk?

Knowing your risk level — aggressive, conservative, or somewhere in between — helps you understand what kinds of investments are right for you.



## Contact Your Financial Advisor

They can evaluate portfolio types, teach you everything you need to know about spending your savings, give you a risk assessment quiz, and more.

Get Started at [BrightDirections.com](https://BrightDirections.com)

## 529 Defined

### ▶ "Tax-Deferred Growth"



Contributions and any earnings grow in your Bright Directions account with no federal or state income taxes deducted each year, providing the potential for additional investment growth.

## End-of-Year is Almost Here

Contributing to your Bright Directions account before the clock strikes midnight on 2021 is a great way to maximize your tax advantages. And don't forget to tell friends and family about GifftED, an easy way for them to contribute to your 529 as a holiday gift.



## Real Questions from Real Savers

Here are a couple great questions we've received from real families saving for college. These might be good questions to talk over with your financial advisor as you continue planning for college.

**Q:** If I roll over a 529 from another state, can it be combined with my current Bright Directions account or does it need to roll over into a separate account?

**A:** **Yes! Out-of-state funds can be rolled into an existing account or a new account, whichever works best for you.**

**Q:** Can I change the beneficiary on my Bright Directions account?

**A:** **Yes, it's easy to change the beneficiary to another family member for their college expenses.**

**Q:** Can my Bright Directions account have two beneficiaries?

**A:** **It cannot. Only one beneficiary can be assigned to the account at a time. But the beneficiary can be changed to another member of the family.**

The Bright Directions Advisor-Guided 529 College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank & Trust Company serves as Program Manager and Northern Trust Securities, Inc., acts as Distributor. Investments in the Bright Directions Advisor-Guided 529 College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, Union Bank & Trust Company, Northern Trust Securities, Inc., the Federal Deposit Insurance Corporation, or any other entity.

An investor should consider the investment objectives, risks, and charges and expenses before investing. This and other important information is contained in the Bright Directions Advisor-Guided 529 College Savings Program Disclosure Statement, which can be obtained from your financial professional or at [BrightDirections.com](http://BrightDirections.com) and should be read carefully before investing. You can lose money by investing in a portfolio. Each of the portfolios involves investment risks, which are described in the Program Disclosure Statement. Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's 529 plan.

<sup>1</sup>Withdrawals used to pay for Illinois Qualified Expenses are free from federal and Illinois state income tax. Illinois Qualified Expenses include tuition, fees, books, supplies, and equipment required for enrollment or attendance; certain room and board expenses incurred by students who are enrolled at least half-time; the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; certain expenses for special needs services needed by a special needs beneficiary; apprenticeship program expenses; and, repayment of up to \$10,000 of qualified education loans.

Illinois Qualified Expenses do not include expenses for tuition in connection with the Beneficiary's enrollment or attendance at an elementary or secondary public, private, or religious school. The amount of any deduction previously taken for Illinois income tax purposes is subject to recapture in the event an Account Owner takes a Nonqualified Withdrawal or Illinois Nonqualified Withdrawal from an Account or if such assets are rolled over to a non-Illinois 529 plan.

\*Morningstar analyzed and rated 61 plans nationwide. Bright Directions was one of only four advisor-sold plans to get Bronze, the highest rating currently achieved by any advisor-sold plan. Analyst ratings for 529 college savings plans consider: Process, People, Parent, and Price. Based on their conclusions, analysts will assign pillar scores. Morningstar analysts retain discretion to override scores if they believe a unique characteristic justifies a different rating than the score suggests. The Morningstar Analyst Rating™ is a subjective evaluation and is not a credit or risk rating. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. ©2020 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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