



\$50 to Help You Start Saving For College

Jump start their college savings with a seed deposit from Illinois First Steps.

As education costs continue to rise, it's important to begin saving early for your child's future. Spark their college savings with Illinois First Steps, a \$50 seed deposit for their future apprenticeship, trade school, community college, or university education. An eligible parent (or legal guardian) of a child born or adopted on or after January 1, 2023, can claim the seed deposit when they open a Bright Start or Bright Directions 529 college savings account.

Who Is Eligible?

To qualify for a \$50 seed deposit from Illinois First Steps, you must:



Live in Illinois

The parent needs to be a resident of Illinois at the time of the child's birth or adoption.



Have a New Child

The child listed as the beneficiary of the Bright Directions account must be born or adopted on or after January 1, 2023.



Open a Bright Directions 529 Account

To claim the funds, the parent or legal guardian of the child born or adopted on or after January 1, 2023 needs to have a 529 college savings account with Bright Directions (or Bright Start if you do not work with a financial advisor).



Claim Now

Parents or legal guardians must claim the \$50 seed deposit from Illinois First Steps before the child's 10th birthday. Don't wait, start today.

How Do I Claim for My Eligible Child?

New Account Owners: Open Your Account

- Parents or legal guardians can set up a Bright Directions 529 account for your eligible child (or Bright Start if you do not work with a financial advisor)
- Complete the Claim section during the account enrollment process for your child's \$50 seed deposit
- Start contributing to build additional funds in your account

Existing Account Owners: Submit a Claim

- Confirm the parent or legal guardian is the account owner of the Bright Directions or Bright Start account
- Ensure your eligible child is the beneficiary of the Bright Directions account (or Bright Start)
- Claim their \$50 seed deposit
- Keep contributing to build additional funds

Claim your child's \$50 seed deposit at IllinoisFirstSteps.com

Frequently Asked Questions

Why should I start saving for college?

The cost of college keeps climbing. Saving early gives you more time to set aside money and help set up your child for success. Studies have shown that the act of saving can motivate a student. Having any amount saved in a dedicated college savings account increases the likelihood of a child pursuing education after high school.

Higher education still matters and impacts your child's future earning ability. The more advanced degree a student earns after high school, the more money they're likely to earn.

What is the Illinois First Steps program?

Illinois First Steps is a program designed to jump start college savings for new parents of an eligible child. The key features include:

- The State of Illinois will provide a seed deposit of \$50 for an eligible child, born or adopted on or after January 1, 2023, to a parent who is a resident of Illinois at the time of birth or adoption.
- One Illinois First Steps \$50 seed deposit may be claimed per eligible child.
- The parent or legal guardian of the eligible child must claim the funds for the beneficiary before the beneficiary's 10th birthday.

How do I get started and claim the seed deposit?

It's easy — the parent or guardian of the eligible child would follow these simple steps:

- 1) Work with your financial advisor to open a Bright Directions 529 college savings account.
- 2) Name the eligible child as beneficiary of the account.
- 3) Complete the simple Claim section of the enrollment form.
- 4) That's it! Illinois First Steps will then review and verify the information submitted to validate the claim.

Your financial advisor will assist throughout the process.

What if I already have a Bright Directions account for my eligible child but have not claimed the seed deposit?

If the account owner is the parent or legal guardian and meet the Illinois First Steps eligibility requirements you can claim the \$50 seed deposit for the new child by submitting the Claim Form found online at IllinoisFirstSteps.com. Your financial advisor is an excellent resource to assist.

When will I see the Illinois First Steps seed deposit in my account?

Once a parent or legal guardian submits a claim for the seed deposit, the information will be verified against birth records and information from the Illinois Department of Public Health and Illinois Department of Revenue. If the claim is verified, the seed deposit will be made the following quarter. The funds will be held in an omnibus account owned and administered by the Illinois State Treasurer.

Can I contribute to their account?

Absolutely. Illinois First Steps is designed to help you get started. After the \$50 seed deposit, the rest of your college savings contributions to your Bright Directions account are up to you. You can make contributions at any time or set up an automatic investing plan for recurring deposits or even invite family and friends to make contributions to your Bright Directions account.

How can the funds be used?

Once the beneficiary completes high school or reaches the age of 18, the funds can be used for qualified higher education expenses as defined by Illinois law (does not include K-12 expenses).¹ To use the funds, the beneficiary must be a resident of Illinois. The funds can be used at qualified colleges, trade schools, and apprenticeship programs anywhere in the United States and at some institutions abroad.

What can I do if my child does not qualify for the Illinois First Steps funds?

You can open a Bright Directions account and start saving. Any adult age 18+ with a U.S. address and a Social Security Number or Individual Taxpayer Identification Number can open a Bright Directions account. Bright Directions offers tax advantages, respected fund families, competitive costs, and no minimum or monthly required contributions.

Learn more at IllinoisFirstSteps.com

The Bright Directions Advisor-Guided College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank and Trust Company serves as Program Manager, and Northern Trust Securities, Inc. serves as Distributor. Balances in your Bright Directions accounts are not guaranteed or insured by the Program, the State of Illinois, the Illinois State Treasurer, any other state or federal agency, Union Bank and Trust Company or any of its affiliates, Northern Trust Securities, Inc. or any of its affiliates, the Federal Deposit Insurance Corporation (except as provided in the Program Disclosure Statement solely with respect to the FDIC-insured Bank Savings Underlying Investment), 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 Program Disclosure Statement which can be obtained online 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 benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's 529 plan.

¹Withdrawals 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; certain apprenticeship program expenses; and, repayment of up to \$10,000 of qualified education loans for the beneficiary or a sibling of the beneficiary.

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; rollovers to a non-Illinois 529 plan; and rollovers from an Illinois 529 plan to a Roth IRA. 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 an Illinois Nonqualified Withdrawal from an Account.

Not FDIC Insured* / No Bank Guarantee / May Lose Value
(*Except for the Bank Savings Underlying Investment)

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