



# \$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. Jump start their college savings with Illinois First Steps, a one-time \$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 Direct-Sold 529 College Savings Account (Bright Start 529) or Bright Directions Advisor-Guided 529 College Savings Account (Bright Directions 529).

## Who Is Eligible?

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



### Live in Illinois

The parent or legal guardian needs to be a resident of Illinois at the time of the child's birth or adoption and time of claim submission.



### Have a New Child

The child listed as the beneficiary of the Bright Start 529 or Bright Directions 529 account must be born or adopted on or after January 1, 2023.



### Open a Bright Start 529 or 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 college savings account with Bright Start 529 or Bright Directions 529 (if they work with a financial advisor).



### Claim Now

Parents or legal guardians must claim the one-time \$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:

- A parent or legal guardian can claim the child's one-time \$50 seed deposit by opening a Bright Start 529 or Bright Directions 529 college savings account for the eligible child and following the step-by-step instructions during the enrollment process.
- Grandparents, other relatives, and friends are not eligible to submit a claim for the child unless they are a legal guardian.
- Start contributing to build additional funds in your account.

### Existing Account Owners:

- Confirm a parent or legal guardian is the account owner of the Bright Start 529 or Bright Directions 529 college savings account.
- Grandparents, other relatives, and friends are not eligible to submit a claim unless they are a legal guardian.
- Ensure the eligible child is the beneficiary of the account. Accounts listing siblings, parents, or other relatives are not eligible to submit a claim.
- Log into your Bright Start 529 or Bright Directions 529 college savings account and submit a claim for the eligible child.
- Start contributing to build additional funds in your account.

Learn how to claim their one-time \$50 seed deposit at [IllinoisFirstSteps.com](https://www.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 can increase the likelihood of a child pursuing education after high school. As a student earns more education and training beyond high school, the higher their earning potential is likely to be.

## What is the Illinois First Steps program?

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

- The State of Illinois will provide a one-time seed deposit of \$50 for an eligible child, born or adopted on or after January 1, 2023, to a parent or legal guardian who is a resident of Illinois at the time of birth or adoption and time of claim submission.
- 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) Open a Bright Start 529 college savings account at **BrightStart.com**.
- 2) Name the eligible child as beneficiary of the account.
- 3) Claim your child's \$50 seed deposit during the Bright Start 529 enrollment process.
- 4) That's it! Illinois First Steps will then review and verify the information submitted to validate the claim.

If you work with a financial advisor, they can assist you with opening an account and the claim process using the Bright Directions Advisor-Guided 529 College Savings Plan.

## What if I already have a Bright Start 529 or Bright Directions 529 account for my eligible child but have not claimed the seed deposit?

If the eligible child is the beneficiary of the account, the account owner is the parent or legal guardian and meets the Illinois First Steps eligibility requirements, they can claim the one-time \$50 seed deposit for the child by logging into their Bright Start 529 account to claim the \$50 seed deposit. Or, if you work with a financial advisor, ask them 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 reflected in their account by the end of the following quarter. The funds will be held in an omnibus account owned and administered by the Illinois State Treasurer. The seed deposit, plus any interest, dividends, and other earnings accrued may be used by the eligible child for future qualified higher education expenses.

## 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 account are up to you. You can make contributions at any time or set up an automatic investment plan for recurring contributions or even invite family and friends to make gift contributions to your Bright Start 529 or Bright Directions 529 account.

## How can the Illinois First Steps 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).<sup>1</sup> To use the Illinois First Steps funds, the beneficiary must be a resident of Illinois. The funds can be used at eligible universities, colleges, trade schools, and apprenticeship programs anywhere in the United States and at some institutions abroad. Parent contributions have no residency limitations.

## What can I do if my child does not qualify for the Illinois 529 First Steps funds?

You can open a Bright Start 529 account (or Bright Directions 529 account if you work with a financial advisor) and start saving. Account owners must be age 18+ with a U.S. address and a Social Security or Individual Taxpayer Identification Number. Both plans offer tax advantages for Illinois residents, respected fund families, competitive costs, and no minimum or monthly required contributions.

To learn more about the Bright Start Direct-Sold College Savings Program, its investment objectives, risks, charges and expenses see the Plan Description at BrightStart.com before investing. Read it carefully. Investments in the Plan are neither insured (except as provided in the Plan Description solely with respect to the FDIC-insured Bank Savings Underlying Investment) nor guaranteed and there is the risk of investment loss. The Bright Start Direct-Sold College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributor and underwriter for the Bright Start Direct-Sold College Savings Program.

The Bright Directions 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., acts as Distributor. Balances in your Bright Directions account are not guaranteed or insured by Bright Directions, 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 Bright Directions Advisor-Guided 529 College Savings Program Disclosure Statement, which can be obtained from your financial professional or at 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.

Prior to investing, check with your home state to learn if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 plan.

To stop receiving notifications on Illinois First Steps please email your name and mailing address to [collegesavings@illinoistreasurer.gov](mailto:collegesavings@illinoistreasurer.gov).

<sup>1</sup> Withdrawals used to pay for qualified higher education expenses are free from federal and Illinois state income tax. Qualified withdrawals 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; repayment of up to \$10,000 of qualified education loans for the beneficiary or a sibling of the beneficiary and rollovers to a Roth IRA. For Illinois tax purposes, qualified withdrawals 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 from an Account.

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



**Michael W. Frerichs**  
Illinois State Treasurer  
Trustee and Administrator

**TIAA**  
Managed by TIAA-CREF  
Tuition Financing, Inc. (TFI)

**UBT**  
Union Bank & Trust,  
Program Manager

**Northern Trust Securities, Inc.**  
Distributor

A41736: 09/24  
FFS-379543PR-Y0824D