



College Happens Sooner than You Think

Start Saving Now with a 529 Account



*Morningstar Medalist Rating as of November 2023

A background image of a child's room. A bed with a blue blanket is visible on the right. A backpack and some items are on the floor. The overall tone is warm and domestic.

When It Gets Real, You'll Be Ready



You can't slow their childhood or the rising cost of college, but you can plan ahead with Bright Directions.

As a nationally recognized advisor-sold 529*, we make saving for college easier — and your financial advisor is there to help along the way.



ILLINOIS

firststeps

\$50 to Help You Start Saving with Bright Directions

As education costs continue to rise, it's important to begin saving early for your child's future. Spark their Bright Directions college savings account with a \$50 seed deposit from Illinois First Steps.

Children born or adopted on or after January 1, 2023 with parents who were residents of Illinois at the time of the birth or adoption may be eligible. Talk to your financial advisor and learn how to claim the funds at **BrightDirections.com/FirstSteps**.

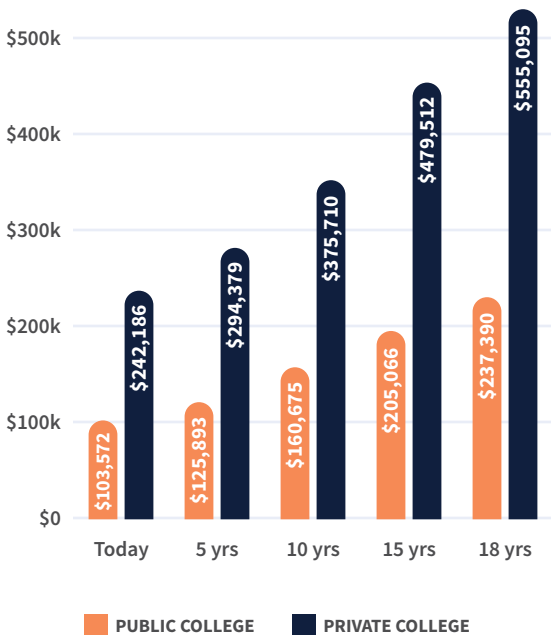


Learn More

Start Saving for the Rising Costs of College

Save early and often, and you'll reduce the burden of long-term debt on your loved one.

Projected Cost of College (4 Years)



Source: The College Board "Trends in College Pricing and Student Aid 2023" (November 2023) *Includes tuition, fees, and room and board. Assumes an average college cost inflation rate of 5 percent.

Why Bright Directions?

There are a lot of ways to save for college.

Here's why Bright Directions might be best for you:

Tax Advantages

Saving with Bright Directions gives you three attractive tax benefits:

1. Assets are tax-deferred while in the plan
2. Funds are free from federal income tax when used for qualified higher education expenses
3. Illinois taxpayers' contributions are eligible for a generous Illinois state income tax deduction:¹

**Up to \$10,000 Per Year
if Filing Separately**

**Up to \$20,000 Per Year
if Filing Jointly**

If you withdraw money for reasons other than qualified higher education expenses, the earnings portion may be subject to federal income tax and a 10% federal penalty tax as well as state and local income taxes.

Use It Almost Anywhere

Funds can be used nationwide at most accredited schools:

- Universities (public or private)
- Community colleges
- Trade and vocational schools
- Graduate schools

Pay for a Variety of Expenses

Qualified higher education expenses include:²

- Tuition and fees
- Room and board (for those enrolled at least ½ time)
- Books, supplies, and equipment required for enrollment
- Computer and required software
- Expenses for services for a special needs beneficiary
- Apprenticeship program expenses
- Repayment of qualified education loans

Ready To Get Started?

Starting your Bright Directions
College Savings Plan is easy:

1



**Ask your financial
advisor about opening a
Bright Directions account.**

2



**Determine how much
you plan to save for your
loved one's education.**

3



**Complete the
Bright Directions
enrollment form
with your advisor.**

The Bright Directions Fund Family

Work with your advisor to tailor your account to your investing style with Age-Based, Target, and Individual Fund Portfolios. Bright Directions utilizes a number of respected fund families, including:



Plus additional quality fund families.

Contact your financial advisor today.

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. 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.

¹An individual who files an individual Illinois state income tax return will be able to deduct up to \$10,000 per tax year (up to \$20,000 for married taxpayers filing a joint Illinois state income tax return) for their total, combined contributions to the Bright Directions Advisor-Guided College Savings Program, the Bright Start Direct-Sold College Savings Program, and College Illinois during that tax year. The \$10,000 (individual) and \$20,000 (joint) limit on deductions will apply to total contributions made without regard to whether the contributions are made to a single account or more than one account. The amount of any deduction previously taken for Illinois income tax purposes is added back to Illinois taxable income in the event an Account Owner makes an Illinois Nonqualified Withdrawal from an Account or if such assets are rolled over to a non-Illinois 529 plan. If Illinois tax rates have increased since the original contribution, the additional tax liability may exceed the tax savings from the deduction.

²Withdrawals 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.

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