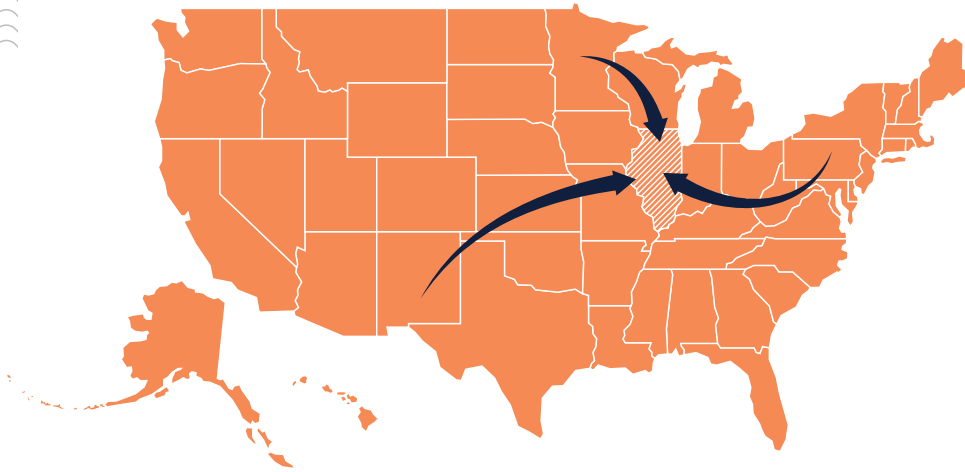


529

Third Quarter 2022
Quarterly



“It feels really good to set (our children) up for success and to ease the financial cost of education. To make it easier for them is really one of the best things we can do as parents.”

Marlén Cortez Morris
Chicago, IL

Rolling Over Out-of-State Funds

If you live in Illinois and have an out-of-state 529 college savings plan, rolling it into your Bright Directions account could help you save come tax season — but act now!

The State of Illinois offers an income tax deduction of up to \$10,000 (or \$20,000, if filing jointly) for contributions made to a Bright Directions account.¹ In the case of a qualified out-of-state 529 program, the amount of the rollover treated as a return of the original contribution to that program (but not the earnings portion) is eligible for deduction for Illinois individual income tax purposes.²

Visit with your financial advisor to see if rolling over makes sense in your situation. If yes, make sure to act now, to qualify for a 2022 income tax deduction.

*When considering a rollover make sure to meet with your tax and financial advisor to review any potential recapture of tax deductions received from the original state, as well as whether any penalties or charges apply.

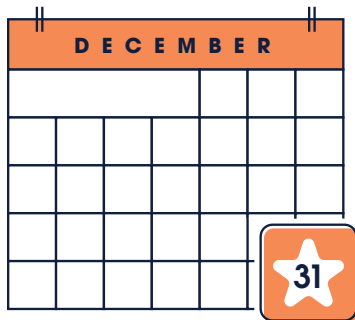


▶ The growing cost of higher education underlines the growing importance of saving for your beneficiary’s future. Visit with your financial advisor to learn how to customize your college savings investment approach.



Visit with your financial advisor when rolling to Bright Directions.





LAST CALL FOR 2022 CONTRIBUTIONS Max Out Your Tax Savings by Dec. 31

Contributing to your Bright Directions account before the end of the year is a great way to maximize your tax advantages. The contributions you make this year can be eligible for a 2022 Illinois' deduction — \$10,000 as an individual taxpayer or \$20,000 for a married couple filing jointly.¹

Contributions need to be received by Bright Directions on or before December 31, 2022 (December 2022 postmark counts). And family and friends can contribute and qualify for an Illinois state income tax deduction for their contributions.

Learn more at BrightDirections.com/tax-center.

Deadline for Reimbursement Approaching Fast

If you paid for qualified college expenses in 2022 and need a reimbursement, be sure to complete your request before December 30, 2022 for tax purposes. When requesting reimbursement the withdrawal must be processed within the same calendar year the expense was incurred and paid.

Be sure to make withdrawals in a timely manner and keep track of all receipts in the event you're ever audited by the IRS. Log into your account at BrightDirections.com to request a withdrawal.



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 529 College Savings Program, 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 takes a 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.

²The Illinois Administrative Code provides that in the case of a rollover from a non-Illinois qualified tuition program, the amount of the rollover that is treated as a return of the original contribution to the prior qualified tuition program (but not the earnings portion of the rollover) is eligible for the deduction for Illinois individual income tax purposes.