

4 Things to Know About Making an Account Withdrawal

It's the moment you've been saving for: Your Bright Directions 529 account is ready to help pay for your loved one's college expenses. Every time you withdraw from the account, keep a few things in mind before using your funds.

- 1 **Manage withdrawals online or on paper.** Withdrawing funds is fast, easy, and secure. Just head to BrightDirections.com, log in to your account, and request a withdrawal. Or, print and mail the Withdrawal Request Form.
- 2 **Plan ahead to make withdrawals.** Make withdrawal requests at least 10 days before payment is due. In most cases, if a request is received in good order on a business day before markets close (typically 3 p.m. Central Time), the investments will be sold at that day's closing price. Bright Directions receives the proceeds from the mutual fund investments the next morning and funds will be sent to your bank account or a check will be mailed.
- 3 **Bright Directions can send the money directly to your child or their school.** You can designate where your money is going in your withdrawal request: to you, your bank account, the beneficiary (your student), or their college or university. Again, leave ample time for the transfer and for the institutions to process and post payment to the appropriate account.
- 4 **Use your savings for more than tuition and fees.** Withdrawals from your 529 account can be applied to qualified educational expenses, which extend beyond tuition and fees. Pay for your beneficiary's books, supplies, equipment, room and board*, a computer/printer, special needs services for a special needs beneficiary, apprenticeship program expenses, and repayment of up to \$10,000 of qualified education loans.

*If they are enrolled at least half time.

Your financial advisor is an excellent resource, and you can learn more about account withdrawals at BrightDirections.com/use-of-funds.

The Rzepkas in Naperville are making saving for college a family affair.

"This is one way to give your child more direction toward a brighter future,"

Jerry Rzepka

Father of three now helping his two grandchildren save for college.



"It's one of the best things you can give your kids or grandkids. Give them a head start on their future."

- ▶ Invite friends and family to help you save for your child's college at BrightDirections.com/friends-family-gifting.

The Market, Economy, and Your Account

The 2009–21 markets were very good for investors, but volatility (the markets' ups and downs) has increased dramatically in 2022. Diversification and focusing on the long term are important in rocky markets.* In good times and in bad, investors should focus on their long-term goals, risk/return comfort level, and controlling what is within their power. We cannot control the markets and economy; however, we can control how much we are saving and the diversification of our investments. Investment professionals suggest focusing on your risk tolerance or comfort level and staying the course.

The S&P 500 Index is a standard measuring stick for the performance of 500 leading publicly traded companies. Through May 31, 2022, the returns help frame the picture of the strong markets we have seen the last 10 – 20 years.

As of May 31, 2022	Average Annual Total Returns			
	1 year	5 year	10 year	20 years (Jan. 1, 2002 – Dec. 31, 2021)
S&P 500 Index	-0.3%	13.4%	14.4%	9.5%

While the S&P 500 Index is down 19.96% year-to-date (through June 30, 2022), that same measuring stick has provided solid returns over the long term.

Investors who focus long term, stay the course, do not jump in and out of the markets, and consistently contribute are those that have the potential to be rewarded over the long haul. Remember and focus on the big picture — especially during periods when the markets are unpredictable.

*Diversification does not assure a profit nor guarantee protection against a loss in a declining market.

For more information on withdrawing funds or the investment options available visit BrightDirections.com/faqs.

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.

▶ Your Questions: Answered.

We get great questions about Bright Directions and 529 college savings plans all the time, like this one.

Q:

“Will a 529 plan hurt my child’s eligibility for financial aid?”

A:

A parental owned 529 account has minimal impact in the financial aid calculation. Funds invested in a Bright Directions 529 account are considered an asset of the account owner. If that's a parent, only a maximum of 5.64% of the value of the account is considered to determine the student's Expected Family Contribution.