



Second Quarter 2015

Withdrawal Reminders

Summer is in full swing, but before you know it the fall semester will be starting. Here are some reminders as you prepare to withdraw from your Bright Directions account for college expenses this fall:

1. Plan ahead! Don't wait until the last minute to request your withdrawal. All withdrawal requests received in good order by 3 p.m. CT on any business day will be processed the same day. The funds will be sold that night and we will mail a check the following business day. Please allow for U.S. Postal mail time as well as time for the college to process the payment once they receive it. Bright Directions will send the funds very timely - make sure to factor in additional time for the postal service and college processing time that can add 5-7 days to the process.
2. Request a withdrawal online at **BrightDirections.com**. Our secure website is fast and easy to use. Please feel free to contact us at (866) 722-7283 if you have questions or need assistance with online access.
3. Keep all receipts, invoices and any other documentation of your college expenses in your tax file. This documentation will come in handy if you are audited at a later date.
4. Match your expenses and your withdrawals from Bright Directions in the same calendar year for tax purposes.

Which expenses are qualified?

The IRS includes tuition, fees, books, supplies, and equipment required for enrollment at an institution that is accredited by the U.S. Department of Education. If the student is enrolled at least half-time, room and board is also an eligible expense. Personal expenses, transportation and repayment of student loans are not covered expenses.

Remember, if you have questions or need assistance with withdrawals for college expenses, give us a call at (866) 722-7283 and we will be happy to assist.

Are you one of the Millions of Illinoisans with cash to claim?

The Illinois Treasurer is safeguarding more than \$2 billion in recovered properties, and if you are an Illinois resident, some of it might be yours. One in four Illinois adults discovers property to claim when they search at www.IllinoisTreasurer.gov. This property includes childhood bank accounts, unclaimed life insurance benefits, and forgotten paychecks. The average claim is \$1000, so discover and claim what's yours today through the Illinois Treasurer's I-Cash program. See the enclosed flyer for additional information.

Investment Policy Statement

We have enclosed an updated Investment Policy Statement for your review and records. On an ongoing basis we post the most current Investment Policy Statement on the Bright Directions website under the Investments section. Should you ever have questions on your investments, the Investment Policy, or the plan in general feel free to contact your investment professional or the plan directly. We will be happy to assist.

Thank you for investing with Bright Directions!



The Importance of a Successor Account Owner

Naming a Successor Account Owner, while optional, is important to consider when opening or reviewing/maintaining your Bright Directions account. The role of the Successor Account Owner is to take over control of the account in the event of your death. To review the Successor Account Owner for your account, you can log in at BrightDirections.com and select "Account Profile". If you would like to name a Successor Account Owner or add a 2nd Successor Account Owner, you can simply complete the "Add or Change a Successor Account Owner" form which can be found under the "Forms" link of our website. Planning ahead by naming a Successor Account Owner will make the administration of your account easier for surviving family members.

College Cost Calculator- A planning tool

With the fall semester kicking off in the next month, the start of the new school year is on the minds of many parents. As the summer draws to a close, a tool that can be helpful in determining how much you might want to consider saving for future college costs is the College Cost Calculator at BrightDirections.com. You can use the features of the College Cost Calculator to customize a report to the specific savings goals you have by adjusting the assumptions used in the calculation. As you utilize the calculator and report, you will also want to consider the other options available to pay for the cost of college - including scholarships or grants your student may receive, whether or not your student will assist with the cost of college by obtaining a part-time job, and how much of your student's college expenses you plan to pay for (do you plan to pay 100% of the expense or will your student take on some of expense as well?). Working with your financial professional, you can utilize the College Cost Calculator to determine the college savings strategy that will best meet your budget and goals. Visit BrightDirections.com and select "Resources" to get started.

Earn 1.529% Reward with the Bright Directions Visa Card

Bright Directions offers a Visa Rewards credit card to help you save even more for your loved one's college expenses without changing your current spending habits. You earn a 1.529% reward on all eligible purchases and the rewards dollars are automatically invested in your Bright Directions account(s) once you have accumulated \$50. With a generous 1.529% reward, you're putting additional dollars aside to help your loved one achieve their education goals without even making a contribution. For more information or to apply online, visit BrightDirections.com.

The Bright Directions College Savings Program is part of the Illinois College Savings Pool and is designed to qualify as a qualified tuition program under the provisions of Section 529 of the Internal Revenue Code. The Bright Directions College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank & Trust Company serves as Program Manager, and Northern Trust Securities, Inc., acts as Distributor. Investments in the Bright Directions College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, Union Bank & Trust Company, Northern Trust Securities, Inc., the Federal Deposit Insurance Corporation, or any other entity.

¹Individuals who file individual Illinois state income tax returns can deduct up to \$10,000 per tax year (\$20,000 if filing jointly) for their total, combined contributions to the Bright Directions College Savings Program, the Bright Start College Savings Program, and Collegellinois! 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 subject to recapture 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.

Investors should read carefully and consider the investment objectives, risks, fees, and expenses contained in the Program Disclosure Statement (issuer's official statement) 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. The Program Disclosure Statement, which contains additional information about the plan and municipal fund securities, is available online at BrightDirections.com or from your financial advisor.

You should consider, before investing, whether your home state or the designated beneficiary's home state offers any state tax deduction or other benefits that are only available for investments in such state's qualified tuition program. You should consult with a tax advisor about state and local taxes.

Not FDIC Insured

May Lose Value

No Bank Guarantee

