

# HELP YOUR EMPLOYEES BENEFIT FROM COLLEGE SAVINGS

The rising costs of college can be stressful for employees with children. But you can help. Add the Bright Start 529 College Savings Plan to your benefits package and give employees the benefit of an easier, more successful way to save for college.



## For Your Employees

- Illinois state income tax deduction for contributions of up to \$10,000 (\$20,000 for joint filers)<sup>1</sup>
- Tax-deferred growth on any interest, dividends, and capital gains
- Tax-free withdrawals for qualified college expenses<sup>2</sup>
- No minimum or annual contribution requirements
- Quality fund families
- Funds can be used at eligible schools nationwide (public, private, trade and community colleges, graduate schools, and professional programs). Some foreign institutions are also eligible.

## For Employers

- Increased employee satisfaction, which can lead to higher employee retention
- No upfront or ongoing costs to the employer
- Illinois tax credit for employer matching contributions

*For taxable years ending on or before December 30, 2020, employers are eligible for an Illinois tax credit against the Illinois state income tax in an amount equal to 25% of that matching contribution up to a maximum tax credit of \$500 per contributing employee per taxable year. Check with your tax advisor for details.<sup>3</sup>*

## Our Portfolio Options

- Age-Based Portfolios (Aggressive, Moderate, and Conservative) that automatically adjust as the child gets closer to college
- 6 Target Portfolios that have a set or static investment allocation, ranging from 100% equity to 100% fixed income
- 16 Individual Fund Portfolio options for employees to customize their own investment approach

## Contribution Options

Employees can automatically invest via their bank account. Or, employers may withhold funds from paychecks, which are then remitted directly to Bright Start.

## Bright Start Fund Family



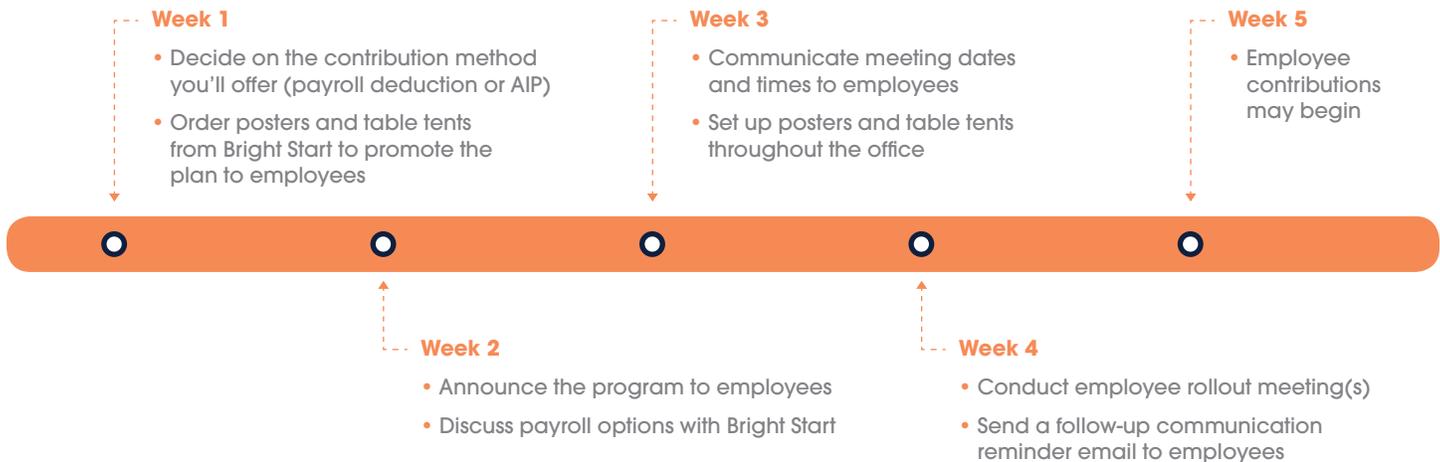
DODGE & COX FUNDS

BLACKROCK



## READY TO HELP YOUR EMPLOYEES SAVE?

Here's how a Bright Start rollout can work in your office:



The Bright Start Direct-Sold 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 Start Direct-Sold College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank & Trust serves as Program Manager. Investments in the Bright Start Direct-Sold College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, the Program Manager, the Federal Deposit Insurance Corporation, 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 Start Direct-Sold College Savings Program Disclosure Statement, which can be obtained at [BrightStart.com](http://BrightStart.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 benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's 529 plan.**

<sup>1</sup>An 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 Start Direct-Sold College Savings Program, the Bright Directions Advisor-Guided 529 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.

<sup>2</sup>Withdrawals used to pay for qualified higher education expenses are free from federal and Illinois state income tax. Qualified higher education 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; and certain expenses for special needs services needed by a special needs beneficiary.

<sup>3</sup>The credit may not be carried back. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the five taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit will be applied first.

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Not FDIC Insured / No Bank Guarantee  
May Lose Value



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