

Bright Start Planner

Second Quarter 2019



How to Withdraw 529 Savings for Your College Freshman

Congratulations to all the parents whose students are heading to college this fall. You've worked hard to save, and now it's time to see them shine. As you're preparing to send your child off to their school of choice, you're likely eager to start pulling out 529 funds to help them begin their journey right. Luckily, making a withdrawal from your 529 account is a simple process. Here are some things to remember as you begin using your contributions to pay for qualified higher education expenses:



Log in to your account to request a withdrawal online at BrightStart.com



You can pay and request a reimbursement, or you can send money directly to the college/institution



Remember to request a withdrawal a week to ten days before any payment due dates to allow time for processing



529 funds can be withdrawn tax-free for the following qualified higher education expenses:¹

**Tuition & Fees • Books • Room & Board
Supplies • Equipment
A Computer & Certain Software**



Be sure to keep your receipts in your tax file in case you're ever audited

If you have any questions about making a withdrawal from your Bright Start account, please contact us today at 877.432.7444.



A Great Way to Celebrate

From kindergarten graduations to finally making the move to senior high, there's plenty to be thankful for at the end of the school year. It's also a great time to take inventory of how much you're contributing to your Bright Start account. Consider using this occasion as a chance to up your current contribution, getting your student one step closer to a debt-free future.

U.S. Student Debt Reaches Record High \$1.53 Trillion Dollars

Student loans now trail mortgages as the largest source of debt for Americans — with \$58 billion in Illinois alone.^{2,3} But parents are learning from their own experiences and are paving the way for future generations: total investments in 529 plans reached a record of \$328.9 billion in the first half of 2018.⁴ Investors like you understand that you're not just saving for college, you're saving a student from debt.



Make it Monthly

Setting an automatic monthly contribution is a great, hands-off way to gradually build your student's college fund. Visit BrightStart.com today to learn how to start or increase yours.

The Do's and Don'ts of Spending Your 529 Savings

Using 529 funds to pay for college seems straightforward, but certain mistakes can result in penalties, tax complications, and other avoidable setbacks. That's why we're offering free webinars this summer from a college savings expert to help you learn how to withdraw funds. Choose from one of the following sessions:

- **Tuesday, July 16, 3:00PM CT**
- **Thursday, July 18, 7:00PM CT**
- **Tuesday, August 13, 7:00PM CT**
- **Thursday, August 15, 3:00PM CT**

Hurry — spots are limited. Sign up today at BrightStart.com/Webinars.



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. 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 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.

¹Withdrawals 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.

²Washington Post, "The average 529 college savings account hits a record high. But it's still not enough." (October 2018)

³Experian, "Student Loan Debt Reaches All-Time High in 2018" (January 2019)

⁴CNBC, "College 529 savings plan balances hit an all-time high" (September 2018)

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