

Bright Start Planner

▶ Third Quarter 2020



Save Smarter for College.

Here are three things to keep in mind as the end of the year approaches.

1



Contribute to your account by 12/31/20 to make the most of your 2020 Illinois state income tax deduction.

2



You can receive an Illinois income tax deduction — on contributions to Bright Start which also includes the contribution portion of an out-of-state 529 rolled into Bright Start — up to the \$20,000 annual maximum (if married filing jointly).^{1,2}

3



Friends and loved ones can enjoy tax benefits too by giving a gift to your beneficiary's account by the end of the year.



Your Loved Ones Can Give the Gift of College Savings Too

To have friends or family contribute to your beneficiary's Bright Start account this holiday season, send them an invite through Bright Start GiftED. There, they'll be able to make an online donation or find instructions for sending a check.

▶ Webinars

For more information on what you can do by the end of the year to maximize your tax advantages, tune into our free webinars. Visit BrightStart.com/Webinars to register today.

MORNINGSTAR



Gold

2017 | 2018 | 2019*



Michael W. Frerichs
ILLINOIS STATE TREASURER

Trustee and Administrator

UBT

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877.432.7444 | BrightStart.com

Audience Question: How Does Compound Interest Help Me?

During webinars, people often ask about what compound interest is and what it does for their savings. At its simplest, compound interest allows you to earn interest on both your original investments as well as your earnings over time. That gives money time to compound and grow for you. The more frequently you contribute, the more time you're giving your money to compound on itself and build for you. Even if it's in smaller amounts, making contributions more often helps to make every dollar count as the clock ticks closer to the college start date.

*A plan of regular investing does not assure a profit or protect against a loss.



Please note Bright Start has a new mailing address:

FOR OVERNIGHT AND COURIER DELIVERIES

Bright Start 529
3606 South 48th Street
Lincoln, NE 68506



Stay up to date on college savings news and all things Bright Start by following us on Facebook.

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 Company 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 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.

¹The 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.

²An 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.

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Not FDIC Insured / No Bank Guarantee
May Lose Value