

Bright Start Planner

Fourth Quarter 2020



Save Smarter: Start 2021 Off Strong

With the costs of college rising, any and every dollar saved counts. The beginning of a new year is a great time to reevaluate your budget, looking for areas where spending can be reduced or redistributed. If you find areas of surplus, consider moving those funds to your child's Bright Start account. Log in to your account at any time to make a one time deposit, set up an automatic contribution, or increase your existing contributions.



School is In Session — Introducing College Savings U

You're already saving smarter with Bright Start but the more you know about college savings, the better you can prepare to send your loved one to a post-secondary school. Bright Start has compiled a library of resources to help educate you on the more complex areas of college savings like common tax questions, financial aid, and all things investing. Access College Savings U at BrightStart.com/College-Savings-U.



Tax Day Reminders

To make the most of your available tax savings with Bright Start, make sure to add filling out the following forms to your tax day to do list, if applicable:

1

Schedule M (IL-1040)

To deduct 2020 contributions from your Illinois taxable income, review the 2020 Schedule M (IL-1040) for filing and reporting instructions. To see all the contributions you made this year, log in to your account at BrightStart.com.

2

IRS Form 1099-Q

For qualified withdrawals¹, whomever the check was payable to — whether it's the account owner or the beneficiary — will receive IRS Form 1099-Q in the mail (mailed by January 31). The beneficiary will also receive the 1099-Q for any checks written to the college. Review the proper tax reporting with your tax professional.

3

IRS Form 709

If you made gifts of \$15,000 or more to a beneficiary, you'll want to discuss any IRS Form 709 filing requirements with your tax professional.

Find more information at BrightStart.com/Tax-Center.



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Testimonial: Powell Family

Before she had children, Lore Powell knew that saving for their college education was always going to be a top priority. By setting up automatic, recurring contributions in their Bright Start accounts, each of her three kids were able to pay for their first year of school without a loan. Read the full testimonial at BrightStart.com/Customers.

Gold Again — Four Years Straight

Bright Start has been rated Gold by Morningstar for the fourth consecutive year for low costs, strong stewardship, and excellent investment options. With this Gold rating, you can know your 529 is working hard for your money.



▶ Webinars

Get more information on how to save for the rising costs of college with our free webinars. Head to BrightStart.com/Webinars to view the schedule and sign up.



“Bright Start gave my children the opportunity to discover what they really wanted.”

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 state 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 college costs are free from federal and Illinois state income tax. Qualified college costs 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.

*Morningstar analyzed and rated 61 plans nationwide. Bright Start was one of only three plans to earn a Gold rating. Analyst ratings for 529 college savings plans consider: Process, People, Parent, and Price. Based on their conclusions, analysts will assign pillar scores. Morningstar analysts retain discretion to override scores if they believe a unique characteristic justifies a different rating than the score suggests. The Morningstar Analyst Rating™ is a subjective evaluation and is not a credit or risk rating. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. ©2020 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.