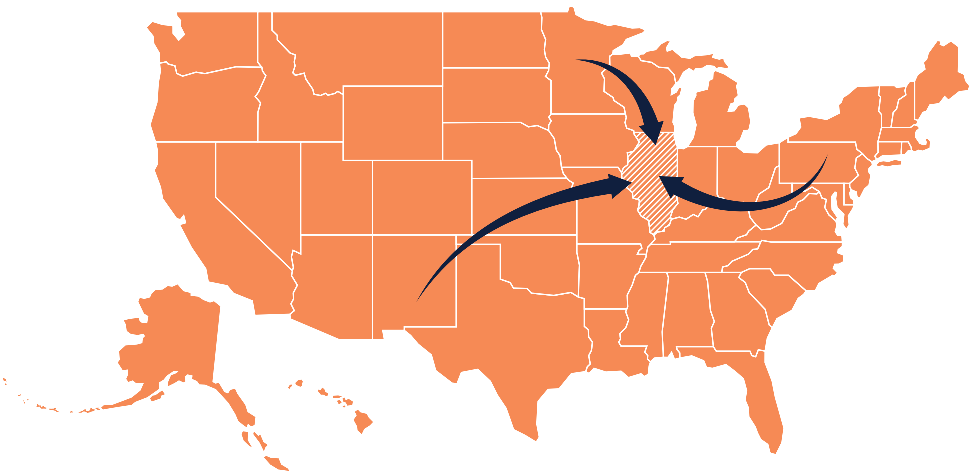
Bright Start Planner

Third Quarter 2022

brightstart 529 College Savings



Rolling Over Out-of-State Funds

If you live in Illinois and have an out-of-state 529 college savings plan, rolling it into your Bright Start account could help you save come tax season — but act now!

The State of Illinois offers an income tax deduction of up to $10,000 (or $20,000, if filing jointly) for contributions made to a Bright Start account.[1] In the case of a qualified out-of-state 529 program, the amount of the rollover treated as a return of the original contribution to that program (but not the earnings portion) is eligible for deduction for Illinois individual income tax purposes.[2]

Roll over an out-of-state 529 college savings plan into your Bright Start account by December 31, 2022, to qualify for a 2022 income tax deduction.

*When considering a rollover make sure to meet with your tax advisor to review any potential recapture of tax deductions received from the original state, as well as whether any penalties or charges apply.

Learn more about the rollover process and download the required form at **BrightStart.com/rollover**.

"It feels really good to set (our children) up for success and to ease the financial cost of education. To make it easier for them is really one of the best things we can do as parents."

Marlén Cortez Morris
Chicago, IL

Read more stories from families at **BrightStart.com/customers**.

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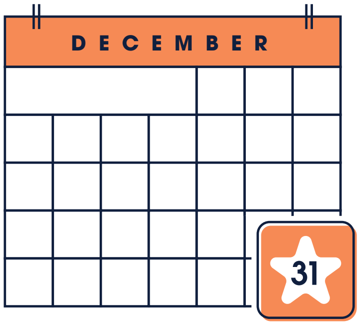

LAST CALL FOR 2022 CONTRIBUTIONS

Max Out Your Tax Savings by Dec. 31

Contributing to your Bright Start account before the end of the year is a great way to maximize your tax advantages. The contributions you make this year can be eligible for a 2022 Illinois' deduction — $10,000 as an individual taxpayer or $20,000 for a married couple filing jointly.[1]

Contributions need to be received by Bright Start on or before December 31, 2022 (December 2022 postmark counts). And family and friends can contribute and qualify for an Illinois state income tax deduction for their contributions.

Learn more at **BrightStart.com/tax-benefits.**

Deadline for Reimbursement Approaching Fast

If you paid for qualified college expenses in 2022 and need a reimbursement, be sure to complete your request before December 30, 2022, for tax purposes. When requesting reimbursement the withdrawal must be processed within the same calendar year the expense was incurred and paid.

Be sure to make withdrawals in a timely manner and keep track of all receipts in the event you're ever audited by the IRS. Log into your account at **BrightStart.com** to request a withdrawal.

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 and Trust Company serves as Program Manager. Balances in your Bright Start account are not guaranteed or insured by Bright Start, the State of Illinois, the Illinois State Treasurer, any other state or federal agency, Union Bank and Trust Company or any of its affiliates, the Federal Deposit Insurance Corporation (except as provided in the Program Disclosure Statement solely with respect to the FDIC-insured Bank Savings Underlying Investment), 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.

[1]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 Directions Advisor-Guided 529 College Savings Program, Bright Start Direct-Sold 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.

[2]The 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.

*The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary of Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates each plan's investment options within the context of their objectives and peer groups, with emphasis placed on the options with the most assets. Plans are evaluated based on four key pillars, including process, people, parent, and price. The Manager Research Group uses this four pillar evaluation to determine which plans they believe are likely to adhere to industry best practices and feature investment options that are likely to collectively outperform relevant peers on a risk-adjusted basis over the long term. They consider quantitative and qualitative factors in their research, and the weight of each pillar is as follows: 30% for Process, People, and Parent, and 10% for Price. The Morningstar Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. Plans that receive Morningstar Analyst Ratings of Gold, Silver, or Bronze for the most part follow industry best practices, offering some combination of the following attractive features: a strong set of underlying investments, a solid manager selection process, a well-researched asset-allocation approach, an appropriate set of investment options to meet investor needs, low fees, and strong oversight from the state and program manager. State income tax benefits vary widely from state to state, and some states have no state tax benefit for investing in a 529 plan. Given the variability of state tax benefits for investors based on personal considerations such as residency, income level, size and frequency of contributions, and other factors, Morningstar does not treat tax benefits as a predictor of performance, and therefore it is not included in the ratings assessment. Morningstar Analyst Ratings are continuously monitored and reevaluated annually. For more detailed information about Morningstar's Analyst Rating for 529 College-Savings Plans, including the methodology, please go to https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/Morningstar_Analyst_Rating_Methodology_071020.pdf.

The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a plan, (ii) involve unknown risks and uncertainties which may cause analyst expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell a 529 college-savings plan or its underlying investment options.