



# Illinois - Bright Directions Advisor-Guided 529 College Savings Program

Data as of: 09/23/19

The Illinois Bright Directions Advisor-Guided 529 College Savings Program, sold through brokers and fee-based financial advisors, features an extensive multi-manager platform offering a large number of age-based, static multi-fund, and individual-fund options. In November 2017, the Bright Start Advisor-Sold College Savings Program combined with the Illinois Bright Directions Advisor-Guided 529 College Savings Program. Investments in Bright Start Advisor-Sold College Savings Program accounts were automatically transitioned to the corresponding Bright Directions portfolios.

## 5-Cap Rating

**Resident:**  Savingforcollege.com's 5-Cap Ratings provides an evaluation and comparison of 529 plans, utilizing a formula that examines dozens of factors grouped into the following categories. (Scale 0 to 5; 5 is highest)

**Non-Resident:** 

Performance	Costs	Features	Reliability	Resident Upgrade
2.69	4.46	4.89	4.36	0.40

## Investment Options

### Age-based investment options:

The Age-Based option is offered in 3 different risk levels (Aggressive, Moderate, and Conservative) each containing 9 portfolios of underlying mutual funds. Contributions are placed into the portfolio corresponding to the risk level selected and the number of years to expected enrollment, and later reassigned to more conservative portfolios as the beneficiary approaches college age.

### Static investment options:

Select among 7 multi-fund Target portfolios with varying risk tolerances and 32 individual-fund portfolios. Fifteen additional individual portfolios invest in Vanguard ETF funds and are available only to account owners who establish an account through a registered investment advisor or advisor who is not compensated through commissions.

### Underlying investments:

T. Rowe Price, DFA, Dodge & Cox, PIMCO, BlackRock, American Century, Baird Funds, MainStay Investments, Delaware Funds, Harbor Funds, Northern Funds, William Blair, Calvert, Templeton, Causeway, Ariel Investments, MFS, Invesco, Oppenheimer Funds, Principal, Sit Mutual Funds and Vanguard (Class F only).

## Taxes and other Benefits

### Program match on contributions:

None.

### State tax deduction or credit for contributions:

Contributions to an Illinois 529 plan of up to \$10,000 per year by an individual, and up to \$20,000 per year by a married couple filing jointly, are deductible in computing Illinois taxable income. For a rollover contribution, only the principal portion is eligible for the deduction. Contribution deadline is December 31 postmark. For tax years ending on or between 12/31/09 and 12/31/20, employers may claim a credit against Illinois tax for 25% of matching contributions made to an employee's account in an Illinois 529 plan, with a maximum annual credit of \$500 per employee. Unused credits may be carried forward for five years.

### State tax recapture provisions:

Effective January 1, 2007, rollovers from this plan to an out-of-state program are included in Illinois taxable income to the extent of prior Illinois deductions. Effective January 1, 2009, nonqualified distributions from this plan are included in Illinois taxable income to the extent of prior Illinois deductions.

### State definition of qualified expenses

The state's definition of qualified education expenses currently includes expenses for attendance at an institution of higher education as defined by the Internal Revenue Code and its regulations addressing qualified state tuition programs. It is unclear or as yet undecided as to whether tuition for elementary or secondary education will be considered a qualified education expense.

### State tax treatment of qualified distributions:

Qualified distributions from an Illinois 529 plan are exempt. Qualified distributions from a non-Illinois plan are exempt provided the plan meets certain disclosure requirements.

### State tax treatment of rollovers:

Illinois follows federal tax-free treatment except that, beginning in 2007, outbound rollovers are subject to the recapture of prior state tax deductions.

### Does the sponsoring state exclude the value of an account for state financial aid purposes?

No

### Does participation in the program provide beneficiaries with any advantages in qualifying for resident tuition status at state institutions?

No

### Does the program have a formal agreement with a rewards program or outside scholarship program?

Yes, Bright Directions 529 Rewards Visa with a 1.529% reward on qualifying purchases.

The Upromise Rewards program can be linked to any 529 college savings plan. Upromise Rewards is free to join and offers members cash back for college.

## Dian Portfolios

## General

### Program type:

Savings

### How to enroll:

Enroll through a financial advisor.

### Initial year of operation:

2005

### State agency(ies):

Illinois State Treasurer

### Program manager:

Union Bank & Trust Company of Lincoln, Nebraska

### Program distributor:

Northern Trust Securities, Inc.

## Contributions

### Maximum contributions:

Accepts contributions until all account balances in Illinois' 529 plans for the same beneficiary reach \$450,000.

### Minimum contributions:

No minimum.

## Fees & Expenses

### Enrollment or application fee:

None

### Account maintenance fee:

None

### Program management fees:

0.18% manager fee (including 0.03% state fee), plus distribution/servicing fees of 0.25% (Classes A and E), plus distribution/servicing fees of 0.50% (Class C), or 0.00% distribution/servicing fee (Class F). 0.15% manager fee (no state or distribution fee) for Invesco Government Agency 529 Portfolio.

### Expenses of the underlying investments:

Ranges from 0.31% to 0.43% (portfolio weighted average) in the age-based and static multi-fund portfolios, 0.025% to 1.18% in the individual-fund portfolios

### Total asset-based expense ratio:

Class A: 0.32% - 1.61%  
Class C: 0.32% - 1.86%  
Class E: 0.32% - 1.61%  
Class F: 0.205% - 1.36%  
Class G: 0.32% - 1.61%  
Class H: 0.21% - 1.36%

## Contact

### Website:

<http://www.brightdirections.com>

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1-866-722-7283

There is no investment data available for this plan. Please visit <http://www.brightdirections.com> for additional information.