

## College Illinois! 529 Prepaid Tuition Program

Data as of: 04/18/24

College Illinois! was established to make college accessible and affordable for Illinois students and families. Program enrollment for 2023-24 is currently on hold pending continuing discussions with policymakers to help define proposals that will strengthen College Illinois! and efforts to move those proposals forward in the legislative process.

### 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:



Not Open

#### Financial benefits

3.50

#### Safety

2.00

#### Features

3.50

#### Reliability

3.00

### Contractual Features

#### Contract prices:

Pricing is specifically aligned to the age of your child when you purchase the contract. The younger your child is when you buy a contract, the more you save on the purchase of a prepaid tuition plan.

#### Available tuition packages:

Up to nine semesters of university level tuition and mandatory fees, up to four semesters of community college level tuition and mandatory fees, or a combination of four university semesters and four community college semesters. The University+ option is separately priced and covers the University of Illinois at Urbana-Champaign.

#### Benefits for beneficiary attending private or out-of-state institution:

Equal to the average mean-weighted credit hour value of public in-state costs at the time prepaid tuition benefits are used.

#### Contract payment options:

Lump sum, 5 year monthly, 5 year annual and extended payments are offered. The extended payment plans are available only for children in 6th grade and younger. The extended payments offered match the number of years until your child starts college. The first payment is due on the first day of the second month following the month of enrollment.

#### Are program benefits backed by the full faith and credit of the state?

No

#### Are program benefits collateralized or guaranteed in any other way?

College Illinois! funds are backed by the moral obligation of the state, which requires the Governor to request state funding from the General Assembly in any year the program lacks sufficient funds to pay its contractual obligations.

### Taxes and other Benefits

#### 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 before December 31, 2024, 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:

Rollovers from this plan to an out-of-state program are included in Illinois taxable income to the extent of prior Illinois deductions. 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, participation in an apprenticeship program, and interest and/or principal on qualified education loans up to a \$10,000 lifetime cap. This does not include tuition for elementary or secondary education.

#### 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 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

### General

#### Program type:

Prepaid contract

#### How to enroll:

Enroll directly with the program.

#### Initial year of operation:

1998

#### State agency(ies):

Illinois Student Assistance Commission

#### Enrollment period:

College Illinois! has a defined enrollment period. Program enrollment for 2023-24 is currently on hold pending continuing discussions with policymakers to help define proposals that will strengthen College Illinois! and efforts to move those proposals forward in the legislative process.

### Contributions

### Fees & Expenses

#### Enrollment or application fee:

None.

### Contact

#### Website:

<http://www.collegeillinois.org/Home/index.html>

#### Telephone:

1-877-877-3724

#### Twitter

<http://twitter.com/CollegeIllinois>

#### Facebook

CollegeIllinois

**Is there a rewards program or outside scholarship program that works with this program?**

Yes, 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.

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**Plan Portfolios**

There is no investment data available for this plan. Please visit <http://www.collegeillinois.org/Home/index.html> for additional information.