

## Illinois - Bright Start Direct-Sold College Savings Program

Data as of: 04/18/24

Union Bank & Trust Company succeeded Oppenheimer Funds, Inc. as program manager of the Bright Start College Savings Program in July 2017. The Illinois direct-sold Plan features three age-based options using either a multi-firm or index-based strategy, three target portfolios, three index target portfolios, individual fund portfolios from a number of fund families and an FDIC-insured option.

### 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
3.57	4.53	4.74	4.18	0.50

### Investment Options

#### Age-based/Enrollment Year investment options:

Choose between Multi-Firm Age Based Portfolios and the Index Age Based Portfolios, each containing 9 portfolios in Aggressive, Moderate and Conservative glidepaths. Contributions are placed into the portfolio corresponding to the beneficiary's age, and later reassigned to more conservative portfolios as the beneficiary approaches college age.

#### Static investment options:

Select among three Multi-Firm Target Portfolios and three Index Target Portfolios; both offer Equity, Balanced, and Fixed Income options, sixteen individual options, and an FDIC-insured option.

#### Underlying investments:

Vanguard, T. Rowe Price, DFA, Dodge & Cox, BlackRock, Baird Funds, Ariel Investments, Invesco, BNY Mellon, Nuveen, DWS.

### Taxes and other Benefits

#### Program match on contributions:

Illinois will automatically deposit a \$50 seed deposit into a 529 college savings account for every child born or adopted in the state beginning in 2023.

#### 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:

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, 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. Distributions from a 529 account directly to a Roth IRA are not considered a qualified expense for state income tax purposes.

#### 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

#### 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.

### Plan Portfolios

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

### General

#### Program type:

Savings

#### How to enroll:

Enroll directly with the program.

#### Initial year of operation:

2000, but substantially changed in July 2007 and again in July 2017.

#### State agency(ies):

Illinois State Treasurer

#### Program manager:

Union Bank & Trust Company

#### Program distributor:

Union Bank & Trust Company

### Contributions

#### Maximum contributions:

Accepts contributions until all account balances in Illinois' 529 plans for the same beneficiary reach \$500,000.

#### Minimum contributions:

No minimum.

#### Does the program offer an e-gifting platform for receiving gift contributions?

This plan offers an online tool to share a gift contribution link with family and friends.

### Fees & Expenses

#### Enrollment or application fee:

None.

#### Account maintenance fee:

None.

#### Program management fees:

0.10% (includes 0.025% state administrative fee).  
Index Portfolios: 0.07% (no state administrative fee).  
No state administrative fee for the Vanguard Federal Money Market 529 and Bank Savings portfolios

#### Expenses of the underlying investments:

Index Portfolios:  
0.02% to 0.31% Age-Based & Static Portfolios (portfolio weighted average)  
0.02% - 0.67% Individual Fund Portfolios

Multi-Firm Portfolios:  
0.07% to 0.30% Age-Based & Static Portfolios (portfolio weighted average)  
None for the Bank Savings

#### Total asset-based expense ratio:

0.07% - 0.77%

### Contact

#### Website:

<http://www.brightstartsavings.com>

#### Telephone:

1-877-432-7444

#### Twitter

<http://www.twitter.com/BrightStart529>

