



# DIRECTIONS



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Not FDIC Insured  
No Bank Guarantee  
May Lose Value

### COLLEGE EXPENSES THIS FALL?

Do you have a beneficiary headed to college this Fall? If you do, it's easy to pay college expenses from your account. **Simply login to your account online and request a withdrawal in a matter of minutes.** Funds can be paid to the Account Owner, the Beneficiary, or to the college.

If your distribution check is made payable to the college directly or to the beneficiary, the IRS Form 1099-Q for tax reporting will be mailed to the beneficiary next January. If the check is payable to you, the 1099-Q will be mailed to you.

Be sure to consult your tax professional if you or your beneficiary plan to claim any tax deductions or credits for education for 2009. You will want to coordinate those deductions & credits with your 529 withdrawals.

### ELIGIBLE COLLEGE EXPENSES

The IRS includes the following as qualified higher education expenses:

- 1) Tuition and fees
- 2) Books and supplies
- 3) Equipment required for enrollment
- 4) Room & Board (if enrolled at least 1/2 time)
- 5) Computers, computer equipment, and Internet access (in 2009 and 2010)

We suggest that you take a withdrawal from your Bright Directions account in the same calendar year as you pay the expense. This will simplify tax filing matters and should not cause issues with the IRS.

Keep all receipts and invoices of expenses in the event the IRS has questions down the road. They may want to see the supporting documentation.

### ELIGIBLE COLLEGES

Many schools are eligible institutions under the program. Funds can be used at any accredited institution that is eligible to participate in Federal Financial Aid Programs. The list includes 2- and 4-year schools, public and private schools, vocational, undergraduate, graduate and professional schools, as well as some foreign schools. For a complete list of eligible

institutions, visit our website to perform a quick search through the U.S. Department of Education.

### ENHANCED PARTICIPANT STATEMENT

Let us know your thoughts and feedback on our newly designed participant statement. We have re-designed the statement with you, the investor, in mind. Easier to read, additional color, all the key summary information on page 1, and transaction details. We hope this meets your needs in our attempt to provide an industry leading statement to our investors.

### PARTICIPANT SURVEY

Please visit [www.brightdirections.com](http://www.brightdirections.com) to take our Participant Survey. Tell us how we are doing, what you like, what we can improve, and any other feedback. We value your opinions and are always looking for ways to make things easier, friendlier, and more streamlined for you. We appreciate having you as an investor and want to make sure you are being served well.

### BRIGHT DIRECTIONS REWARDS CREDIT CARD

The Bright Directions 529 College Savings Visa® Card is a great new option for earning extra rewards dollars to help offset future college expenses. The card offers a generous 1.529% Reward on purchases and automatically transfers rewards points to your Bright Directions College Savings Program account when 50 points accumulate. Friends and family members can also apply for a card and request that their rewards points be deposited to your Bright Directions account.

Responsible use of credit is the key to maximizing this opportunity. If you are planning to charge items on a credit card over the next several months for back-to-school supplies or early holiday shopping, take advantage of the 1.529% Reward that you can get by using the Bright Directions 529 College Savings Visa® Card instead of another card that offers a smaller rewards percentage. For more information, please contact us.

*We Appreciate Your Business!  
Have a Great Summer!*