



# DIRECTIONS



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### 2008 ILLINOIS TAX DEDUCTION

Don't miss out for 2008. To qualify for the 2008 Illinois State income tax deduction contributions must be made in 2008. The State of Illinois provides a \$10,000 individual and \$20,000 married filing jointly state income tax deduction for contributions made to Bright Directions. **Don't miss the December 31, 2008 deadline.**

### 2008 GIFTS

If you are making larger gifts for 2008, make sure they are made timely. To be treated as a 2008 gift for gift tax purposes, we suggest that you make the gift by December 24 to allow mail time and for the check to clear your bank account prior to year end.

### HOLIDAY GIFT

For the grandparents looking for that special holiday or birthday gift, suggest they make a contribution to their loved one's Bright Directions college savings account. It's a great way to help that special loved one accumulate funds for college.

And, unlike a new toy or computer game, it's a gift that will keep on giving. Go to our web site or give us a call and we will be happy to send deposit coupons for contributing.

### 2008 COLLEGE EXPENSES

It is important that you match your 2008 Bright Directions withdrawals with your 2008 college expenses. If you have had 2008 qualified college expenses that you will be requesting reimbursement from your Bright Directions account, we suggest you do so prior to December 24th to allow time for processing.

As a reminder, qualified college expenses include: tuition, fees, books, supplies, and equipment required for enrollment. Room & board is considered a qualified expense if the student is enrolled on at least a half-time basis.

Make sure to keep your invoices and receipts in your tax file should the IRS ever request the back-up documentation.

Important note - if you will be paying 1st semester expenses in 2009, please make sure to request the withdrawal from your Bright Directions account in 2009, not 2008.

### MARKET VOLATILITY

This past year, and September in particular, has been extremely tough for the financial markets. By contrast to October 2007 when we experienced market highs, we are now seeing an overall retreat well in excess of 20%. It is difficult to avoid hearing the latest distressing headline and its implications on the economy and financial markets. These are trying times triggered by unprecedented events in the financial marketplace.

Don't get discouraged. There are two things that are pretty close to guarantees: college is not going to get less expensive and the markets will continue to be volatile.

While it seems the exact opposite of what we would like to do, investors should consider increasing the amount they are saving each month. With history as a guide, the markets will always be volatile, and over the long-term, increase in value. By increasing your monthly contributions, you can make a meaningful difference in the amount of funds that will be available when college arrives.

### ANOTHER 529 PLAN – CONSIDER A ROLLOVER

Keep in mind you have the option to rollover non-Illinois 529 plans into Bright Directions AND qualify for the Illinois State income tax deduction. The Illinois Department of Revenue has stated informally that the amount you have contributed to another state's 529 plan is eligible for the Illinois State income tax deduction when you rollover to Bright Directions (i.e., the earnings portion is not eligible for the deduction).

Visit with your financial professional to see if this would be beneficial in your situation.

*Thank You for investing with us and Best Wishes this upcoming Holiday Season!*