



DIRECTIONS



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Trustee & Administrator



Program Manager

Not FDIC Insured
No Bank Guarantee
May Lose Value

2009 ILLINOIS TAX DEDUCTION

Illinois tax filers – don't forget to report your 2009 Bright Directions College Savings Program contributions on your 2009 Illinois tax return. Here is information from the 2009 Illinois Individual Income Tax Booklet:

Illinois taxpayers filing jointly may qualify for up to a \$20,000 Illinois State income tax deduction (\$10,000 if single) for contributions made to the Illinois 529 program during 2009. If you mailed a contribution in 2009 with a 2009 postmark, it should qualify for the 2009 Illinois tax deduction.

It is our understanding that Schedule M, Line 13c is where tax deductible contributions to Bright Directions are to be reported for Illinois State income tax purposes. Consult your tax professional or visit the Illinois Department of Revenue site at: www.revenue.state.il.us for additional information.

2009 GIFTS – GIFT TAX RETURN

If you made larger gifts for 2009 (ie: typically over \$13,000), make sure to mention them to your tax professional so they can determine if a Gift Tax Return is required.

If you took advantage of the special 5-year front-loading election (ie: gifts up to \$65,000) allowed for 529 plans, please notify your tax professional so they can prepare any necessary Gift Tax Return. The due date for the Form 709 Gift Tax Return is April 15, 2010.

WITHDRAWALS IN 2009 (IRS FORM 1099-Q)

In January 2010, IRS Form 1099-Q will be sent to any recipients of a 2009 withdrawal from Bright Directions. If the distribution was payable to the account owner, the 1099-Q will be sent to the account owner. If funds were paid to the beneficiary or to the college directly, the beneficiary will receive the 1099-Q. We recommend that you keep your college expense invoices and receipts with your tax papers.

WITHDRAWALS FOR COLLEGE

Need to pay a college expense? Visit our web site at brightdirections.com. It's fast, easy and secure. If you need assistance accessing your account online please call us and we'll be happy to help.

INVEST YOUR TAX REFUND

If you will be receiving a tax refund, consider depositing it into your Bright Directions College Savings Program account. Your Illinois and Federal tax form will provide a section that allows you to have your refund deposited directly into a bank account.

Here is the information you will need:

Routing Number: 104910795
Type of Account: Savings
Account #: 529

*after 529 include your 9 digit Bright Direction College Savings Program account number

FUND CHANGES

Effective 12/1/2009, Barclays Global Investors Funds became BlackRock Funds. The BGI Money Market is now the BlackRock Cash Funds: Institutional. Effective 12/11/2009, the FMA Small Company Fund was reorganized and is now the John Hancock Small Company Fund.

COLLEGE COSTS UP 5.9% AND 4.3%!

The College Board recently released their 2009 Trends in College Pricing and the average cost for one-year of tuition, fees, room & board increased to:

	2009-10 Academic Year
4 Year Public	\$15,213
4 Year Private	\$35,636

That's an increase of 5.9% and 4.3%, respectively over the previous year. College costs continue to escalate, make sure you are saving as much as you can to help offset this future expense. Consider increasing your monthly contribution today.

ONE INVESTMENT CHANGE PER CALENDAR YEAR

Account owners are able to change their investment elections once per calendar year or upon a change of beneficiary. During calendar year 2009 investors were able to make two investment changes. This exception was not extended in 2010 (as of the date of this newsletter) so we go back to the one investment change per calendar year rule.

*Thank you for investing with us.
We wish you the best in 2010!*