


Save Smarter for College.

Here are three things to keep in mind as the end of the year approaches.

1 

Work with your financial advisor to contribute to your account by 12/31/20 to make the most of your 2020 Illinois state income tax deduction.

2 

You can receive an Illinois income tax deduction — on contributions to Bright Directions which also includes the contribution portion of an out-of-state 529 rolled into Bright Directions — up to the \$20,000 annual maximum (if married filing jointly).^{1,2}

3 

Friends and loved ones can enjoy tax benefits too by giving a gift to your beneficiary's account by the end of the year.



MORNINGSTAR



Silver™

2015 | 2016 | 2017 | 2018 | 2019*



Your Loved Ones Can Give the Gift of College Savings Too

To have friends or family contribute to your beneficiary's

Bright Directions account this holiday season, send them an invite through Bright Directions GiftED. There, they'll be able to make an online donation or find instructions for sending a check.

Audience Question: How Does Compound Interest Help Me?

During webinars, people often ask about what compound interest is and what it does for their savings. At its simplest, compound interest allows you to earn interest on both your original investments as well as your earnings over time. That gives money time to compound and grow for you. The more frequently you contribute, the more time you're giving your money to compound on itself and build for you. Even if it's in smaller amounts, making contributions more often helps to make every dollar count as the clock ticks closer to college enrollment. Consult with your financial advisor to make a contribution to your account.

*A plan of regular investing does not assure a profit or protect against a loss.



What Kind of Investor Are You?

When it comes to how your 529 funds are invested, it's important to talk with your financial advisor to explore your options and make sure you are invested in the investment style that is best for you. Start a discussion using these two basic questions, and then you can discuss any changes, if needed.

Do you know which type of portfolio you have your savings invested in?

- A. Age-Based
- B. Target
- C. Individual

What is your risk tolerance?

- A. Conservative
- B. Moderate
- C. Aggressive

You can talk to your advisor at any time to see where your investments are at and make any changes, if needed.

Please note Bright Directions has a new mailing address:

FOR OVERNIGHT AND COURIER DELIVERIES

Bright Directions 529
3606 South 48th Street
Lincoln, NE 68506



The Bright Directions Advisor-Guided 529 College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank & Trust Company serves as Program Manager and Northern Trust Securities, Inc., acts as Distributor. Investments in the Bright Directions Advisor-Guided 529 College Savings Program are not guaranteed or insured by the State of Illinois, the Illinois State Treasurer, Union Bank & Trust Company, Northern Trust Securities, Inc., the Federal Deposit Insurance Corporation, or any other entity.

An investor should consider the investment objectives, risks, and charges and expenses before investing. This and other important information is contained in the Bright Directions Advisor-Guided 529 College Savings Program Disclosure Statement, which can be obtained from your financial professional or at BrightDirections.com and should be read carefully before investing. You can lose money by investing in a portfolio. Each of the portfolios involves investment risks, which are described in the Program Disclosure Statement. Before you invest, consider whether your or the beneficiary's home state offers any state tax or other benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's 529 plan.

¹The Illinois Administrative Code provides that in the case of a rollover from a non-Illinois qualified tuition program, the amount of the rollover that is treated as a return of the original contribution to the prior qualified tuition program (but not the earnings portion of the rollover) is eligible for the deduction for Illinois individual income tax purposes.

There may be potential adverse tax consequences if the transfer or rollover is not a qualified rollover. Please review all factors with your tax and financial advisor.

²An individual who files an individual Illinois state income tax return will be able to deduct up to \$10,000 per tax year (up to \$20,000 for married taxpayers filing a joint Illinois state income tax return) for their total, combined contributions to the Bright Start Direct-Sold College Savings Program, the Bright Directions Advisor-Guided 529 College Savings Program, and College Illinois during that tax year. The \$10,000 (individual) and \$20,000 (joint) limit on deductions will apply to total contributions made without regard to whether the contributions are made to a single account or more than one account. The amount of any deduction previously taken for Illinois income tax purposes is added back to Illinois taxable income in the event an Account Owner takes a Nonqualified Withdrawal from an Account or if such assets are rolled over to a non-Illinois 529 plan. If Illinois tax rates have increased since the original contribution, the additional tax liability may exceed the tax savings from the deduction.

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