Help Your Employees Save for Their Children's Future

The rising costs of college can be stressful for employees with children. But you can help. Add the Bright Start 529 College Savings Plan to your benefits package and give employees the benefit of an easier, more successful way to save for college.

brightstart
529 College Savings

Benefits For Your Employees

- Illinois tax payers are eligible for a state tax deduction for contributions of up to $10,000 ($20,000 for joint filers)[1]
- Tax-deferred growth on any interest, dividends, and capital gains
- Tax-free withdrawals for qualified higher education expenses[2]
- No minimum or annual contribution requirements
- Quality fund families
- Funds can be used at eligible schools nationwide (public, private, trade and community colleges, graduate schools, and professional programs). Some foreign institutions are also eligible.

Benefits For Employers

- Increased employee satisfaction, which can lead to higher employee retention
- No upfront or ongoing costs to the employer
- Illinois tax credit for employer matching contributions

  For taxable years ending on or before December 31, 2024, employers are eligible for an Illinois tax credit against the Illinois state income tax in an amount equal to 25% of that matching contribution up to a maximum tax credit of $500 per contributing employee per taxable year. Check with your tax advisor for details.[3]

Our Portfolio Options

- Age-Based Portfolios (Aggressive, Moderate, and Conservative) that automatically adjust as the child gets closer to college
- 6 Target Portfolios that have a set or static investment allocation, ranging from 100% equity to 100% fixed income
- 17 Individual Fund Portfolio options for employees to customize their own investment approach

Contribution Options

- Employees can automatically invest via their bank account
- Employers can offer payroll deductions

MORNINGSTAR | Gold
Since 2017*

Bright Start Fund Family

Vanguard
T.RowePrice INVEST WITH CONFIDENCE
Dimensional
Dodge & Cox Funds
BlackRock
Ariel Investments
Invesco
Baird Funds
BNY Mellon | Investment Management
Nuveen Asset Management
DWS

READY TO HELP YOUR EMPLOYEES SAVE?

Here's how a Bright Start rollout can work in your office:

Week 1

- Decide on the contribution method you'll offer (payroll deduction or AIP)
- Order posters and table tents from Bright Start to promote the plan to employees

Week 2

- Announce the program to employees
- Discuss payroll options with Bright Start

Week 3

- Communicate meeting dates and times to employees
- Set up posters and table tents throughout the office

Week 4

- Conduct employee rollout meeting(s)
- Send a follow-up communication reminder email to employees

Week 5

- Employee contributions may begin

The Bright Start Direct-Sold 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. Balances in your Bright Start account are not guaranteed or insured by Bright Start, the State of Illinois, the Illinois State Treasurer, any other state or federal agency, Union Bank & Trust Company or any of its affiliates, the Federal Deposit Insurance Corporation (except as provided in the Program Disclosure Statement solely with respect to the FDIC-insured Bank Savings Underlying Investment), 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 Start Direct-Sold College Savings Program Disclosure Statement, which can be obtained at BrightStart.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 state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's 529 plan.

[1]An 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.

[2]Withdrawals used to pay for qualified college costs are free from federal and Illinois state income tax. Qualified college costs include tuition, fees, books, supplies, and equipment required for enrollment or attendance; certain room and board expenses incurred by students who are enrolled at least half-time; the purchase of computer or peripheral equipment, computer software, or Internet access and related services, if used primarily by the beneficiary during any of the years the beneficiary is enrolled at an eligible educational institution; and certain expenses for special needs services needed by a special needs beneficiary, apprenticeship program expenses, and repayment of up to $10,000 of qualified education loans. The amount of any deduction previously taken for Illinois income tax purposes is subject to recapture in the event an Account Owner takes a Nonqualified Withdrawal or Illinois Nonqualified Withdrawal from an Account or if such assets are rolled over to a non-Illinois 529 plan.

[3]The credit may not be carried back. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the five taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit will be applied first.

*The Morningstar Analyst RatingTM is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary of Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates each plan's investment options within the context of their objectives and peer groups, with emphasis placed on the options with the most assets. Plans are evaluated based on four key pillars, including process, people, parent, and price. The Manager Research Group uses this four pillar evaluation to determine which plans they believe are likely to adhere to industry best practices and feature investment options that are likely to collectively outperform relevant peers on a risk-adjusted basis over the long term. They consider quantitative and qualitative factors in their research, and the weight of each pillar is as follows: 30% for Process, People, and Parent, and 10% for Price. The Morningstar Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. Plans that receive Morningstar Analyst Ratings of Gold, Silver, or Bronze for the most part follow industry best practices, offering some combination of the following attractive features: a strong set of underlying investments, a solid manager selection process, a well-researched asset-allocation approach, an appropriate set of investment options to meet investor needs, low fees, and strong oversight from the state and program manager. State income tax benefits vary widely from state to state, and some states have no state tax benefit for investing in a 529 plan. Given the variability of state tax benefits for investors based on personal considerations such as residency, income level, size and frequency of contributions, and other factors, Morningstar does not treat tax benefits as a predictor of performance, and therefore it is not included in the ratings assessment. Morningstar Analyst Ratings are continuously monitored and reevaluated annually. For more detailed information about Morningstar's Analyst Rating for 529 College-Savings Plans, including the methodology, please go to https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/Morningstar_Analyst_Rating_Methodology_071020.pdf.

The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a plan, (ii) involve unknown risks and uncertainties which may cause analyst expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell a 529 college-savings plan or its underlying investment options.

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Not FDIC Insured*/ No Bank Guarantee / May Lose Value
(*except for the Bank Savings Underlying Investment)

brightstart 529 College Savings

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