



Bright Start Planner

Third Quarter 2023

Rolling Over Out-of-State Funds

If you live in Illinois and have an out-of-state 529 plan, rolling it into your Bright Start account could help you save come tax season. There's one big reason you shouldn't wait long to get started.

The State of Illinois offers an income tax deduction of up to \$10,000 (or \$20,000 if filing jointly) for contributions made to Bright Start.¹ In the case of a qualified out-of-state 529 program rolled into Bright Start, the amount of the rollover treated as a return of the original contribution to that program (but not the earnings portion) is eligible for deduction for Illinois Individual Income tax purposes.²



Out-of-State
529 Plan



Roll-over into
Bright Start



Qualify for
Tax Deductions

Roll over an out-of-state 529 plan into your Bright Start account by December 31, 2023 to qualify for a 2023 income tax deduction.

*When considering a rollover, make sure to meet with your tax advisor to review any potential recapture of tax deductions received from the original state, as well as whether any penalties or charges apply.



Learn more about the rollover process
and download the required form.



Max Out Your Tax Savings by Dec. 31

Contributing to Bright Start before the end of the year is a great way to maximize your tax advantages. Your contributions this year can be eligible for a 2023 Illinois income tax deduction — \$10,000 as an individual taxpayer or \$20,000 for a married couple filing jointly.¹

Contributions need to be received by Bright Start on or before December 31, 2023 (December 2023 postmark counts).

Learn more at
BrightStart.com/tax-benefits



Michael W. Frerichs
ILLINOIS STATE TREASURER
Trustee and Administrator

UBT
Union Bank & Trust
Program Manager

877.432.7444 | BrightStart.com



Don't Miss the Deadline for Reimbursements

If you paid for qualified college expenses in 2023 and need a reimbursement, complete your request before **December 31, 2023**, for tax purposes. Your withdrawal needs to be processed in the same calendar year the expense was incurred and paid, so it's a good idea to get ahead of the game.

Be sure to make withdrawals in a timely manner and keep track of all receipts in case you're ever audited by the IRS. Visit **BrightStart.com** to log in to your account or download the Withdrawal Form to start your withdrawal request today.



Celebrate Your Student's Future with Family and Friends

Holidays and special events have a habit of sneaking up. If your friends and family need a holiday, graduation, or birthday gift idea, invite them to contribute to your future student's Bright Start account through GiftED. Family and friends can make their gift online or through the mail — and even personalize their contribution with a free card from us.

Learn more at

BrightStart.com/GiftED

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 and 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 and 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.

¹An 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.

²The 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.

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

 **Michael W. Frerichs**
ILLINOIS STATE TREASURER
Trustee and Administrator

UBT
Union Bank & Trust
Program Manager