



Nonprofits Can Establish a Scholarship Account With Bright Start

With the Bright Start 529 College Savings Plan, parents aren't the only ones that can save for a student's education. A 501(c)(3) charitable organization, state, or local government institution can establish a scholarship fund for college-bound students — and doing so can help display your commitment to fostering education in your community.

As account owner, your organization can make contributions as long as the amount is consistent with the scope and size of the scholarship program award. You'll also be eligible for a range of benefits, including:



Tax Advantages

- Assets grow tax-deferred while in the plan
- Tax-free withdrawals for qualified expenses¹



Convenience

- Proceeds can be sent directly to the school on behalf of the recipient



Low Costs

- No record-keeping fees, putting more scholarship money to work



Professional Management

- Backed by Bright Start's 529 expertise and industry-recognized investment lineup



Account Control

- Your organization retains control over all distributions

Awarding Scholarships

- Distribute funds directly to the college or scholarship recipient
- OR
- Set up a Bright Start account for the recipient with either your organization or their parent as account owner

Ready to Start?

See reverse side for instructions on how to complete your Enrollment Form.

Questions?

Call us at 877.432.7444 to learn more about how your organization can make a difference for Illinois students.

Enrollment Form Instructions

Section 1: List your organization (“Corporate, 501(c)(3), or other Entity-Owned Account”)

Section 2: Organization mailing information

Section 3: Beneficiary information — include the name of your Scholarship Fund and use the organization’s tax ID number in place of a Social Security number

Section 4: Successor account owner — leave blank

Section 5: Investment portfolio selection — select your investment from Section B Target Portfolios and Individual Fund Portfolios (Do NOT select the Age-Based Portfolios — they are used when a beneficiary is named)

Section 6 & 7: Funding method(s) — select how you plan to fund the account

Section 9: Complete for e-delivery

Section 10: Authorized signer signature and date

Return the completed Enrollment Form and a copy of your Articles of Incorporation, Authorized Signers, and IRS Letter with your tax ID number to:

Bright Start
P.O. Box 85298
Lincoln, NE 68501

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.

¹Withdrawals used to pay for Illinois Qualified Expenses are free from federal and Illinois state income tax. Illinois Qualified Expenses 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; 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.

Illinois Qualified Expenses do not include expenses for tuition in connection with the Beneficiary’s enrollment or attendance at an elementary or secondary public, private, or religious school. 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.

Not FDIC Insured* / No Bank Guarantee / May Lose Value

(*Except for the Bank Savings Investment Option)

November 2023



Michael W. Frerichs

ILLINOIS STATE TREASURER

Trustee and Administrator

UBT

Union Bank & Trust
Program Manager