

College Savings Information from the website of the Illinois State Treasurer

Saving for a child's college education is one of the most important investments you can make. Children who have a college savings account are almost seven times more likely to attend college.

Treasurer Frerichs is the trustee of Illinois's three 529 college savings plans: Bright Start Direct - a plan that individuals can sign-up for and manage on their own – and Bright Start Advisor and Bright Directions - plans that can be purchased through a financial advisor.

All three plans are "qualified tuition programs" under Section 529 of the Internal Revenue Code of 1986.

Under Bright Directions, Bright Start Advisor, and Bright Start Direct, your investments grow tax-free as long as withdrawals are used to pay for qualified educational expenses (e.g., tuition, fees, books, computers, room and board).

As an Illinois resident, you also enjoy additional tax benefits. Contributions are tax-deductible for Illinois taxpayers up to:

- \$10,000 per Illinois taxpayer
- \$20,000 for married Illinois taxpayers filing a joint return
- Investments are not subject to Illinois state income tax while in a Bright Start or Bright Directions account. And when withdrawn for qualified college expenses, they are not subject to federal or Illinois state income tax.

Please **contact us** for more information about the College Savings programs, or call the Treasurer's Office at (312) 814-1451.

