



OFFICE OF ILLINOIS STATE TREASURER

MICHAEL W. FRERICHS

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CONTACT:

Eric Krol 312.814.1252
Adriana Colindres 217.558.1920

State Treasurer Michael Frerichs Offers Free Seminars on Spending Bright Start Money

Morningstar: Bright Start Among Best College Savings Programs

SPRINGFIELD – Whether you’ve been saving for your children’s college education for years or just opened your 529 Bright Start account, you probably have some questions. Among them: How can I spend the savings on college, trade school or apprenticeships? What are the tax advantages?

Illinois State Treasurer Michael Frerichs today announced a pair of free webinars that will provide some answers and let you ask questions of your own.

“I applaud parents, grandparents and guardians for taking the responsible step of safely saving for their child’s future,” Frerichs said. “We’re here to answer your questions and make it easier to navigate your Bright Start account.”

The first online seminar is called [“The Do’s and Don’ts of Spending Your 529 Savings.”](#) You’ll learn what qualifies as an education expense (and what doesn’t), get details on how to pay for room and board expenses and listen to a step-by-step explanation of how to make a withdrawal from your account.

The second free online seminar is titled [“529 Basics: Save for College While Saving on Taxes.”](#) Maybe you’re thinking about opening a Bright Start account or just opened one. You’ll learn about the tax advantages of saving money through Bright Start and different approaches to socking away money.

Registration is required for each seminar, and you can sign up [here](#). That will get you a link to the session and a reminder about an hour before it starts.

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The schedule of upcoming webinars is:

- [“The Do’s and Don’ts of Spending Your 529 Savings,”](#) Thursday, Aug. 18, from 4 p.m. - 5 p.m.
- [“529 Basics: Save for College While Saving on Taxes,”](#) Tuesday, Aug 23, from 4 p.m. - 5 p.m. or Thursday, Sept. 1, from 7 p.m. - 8 p.m.

You can find more information to open an account [here](#) and a list of non-college programs that accept Bright Start Funds [here](#).

Independent analyst Morningstar rates the Bright Start Program as among the best in the country.

Treasurer Frerichs serves as Trustee and Administrator of the gold medal-winning Illinois 529 College Savings Programs. Money in a 529 college savings account can be used at eligible educational institutions, including public and private, two-year, four-year colleges and universities and certain technical and vocational schools. The investment grows tax-free when spent on qualified expenses.

Since 2015, Frerichs has worked with program manager Union Bank & Trust to reduce fees and ensure more investment dollars go directly to college savings. These changes have helped the Illinois 529 College Savings Pool to grow by more than double from \$7 billion to \$17 billion in assets with more than 800,000 accounts.

For more information about the Treasurer’s Office 529 College Savings programs, which have won Morningstar’s highest consumer rating¹ five years in a row, visit <https://illinoistreasurer.gov/>.

About the Illinois Treasurer

As Illinois State Treasurer, Michael Frerichs (FRAYR’-iks) is the state’s Chief Investment and Banking Officer and actively manages approximately \$52 billion. The portfolio includes \$26 billion in state funds, \$17 billion in retirement and college savings plans and \$9 billion on behalf of local and state governments. Frerichs’ office protects consumers by safeguarding more than \$3.5 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial education among all ages, assisting people with disabilities to save without losing government benefits, and removing barriers to a secure retirement. The Treasurer’s Office predates Illinois incorporation in 1818. Voters chose to make it an elected office in 1848.

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The Bright Start Direct-Sold College Savings Program (“Bright Start”) and the Bright Directions Advisor-Guided 529 College Savings Program (“Bright Directions”) are part of the Illinois College Savings Pool and are designed to qualify as qualified tuition programs under the provisions of Section 529 of the Internal Revenue Code. Bright Start and Bright Directions are 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 of the advisor-sold plan. Investments in Bright Start and Bright Directions 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 associated with municipal fund securities before investing. This and other important information is contained in the fund prospectuses and the Bright Start Program Disclosure Statement and Bright Directions Program Disclosure Statement (issuer’s official statement), which can be obtained from your financial professional, on BrightStart.com, and 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.

An investor should consider, before investing, whether the investor’s or designated 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 such state’s 529 plan. Investors should consult a tax advisor.

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¹The Morningstar Analyst Rating™ 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, we do not treat tax benefits as a predictor of performance, and therefore it is not included in our 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 its 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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