



OFFICE OF ILLINOIS STATE TREASURER

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Treasurer Michael Frerichs Lowers Fees for Popular College Savings Program

*New Contract Eliminates Set-Up and Maintenance Fees
Total Savings Nears \$3.6 Million*

SPRINGFIELD – Illinois Treasurer Michael Frerichs announced today a newly negotiated contract that eliminates set-up and maintenance fees for families saving for college through Illinois' Bright Directions 529 plan.

Investors would have saved nearly \$3.6 million had the deal been in place last year. Frerichs was sworn-in as Treasurer in January.

“A college education opens doors that otherwise would remain locked. That is why we must do everything possible to make higher education affordable for Illinois families,” Frerichs said.

The elimination of the \$10 set-up fee and \$3 quarterly maintenance fee means more investment dollars will go to college savings. Management fees also will be slashed by 43 percent. More than 104,000 accounts will benefit from the new terms, which take effect Nov. 15.

Independent rating agencies recognize Bright Directions as a solid investment with a competitive price that offers 55 investment options. The new fee structure is a result of negotiations with Union Bank, which was selected to manage the fund through a competitively bid process.

In addition to Bright Directions, Frerichs' office manages the Bright Start Advisor and Bright Start Direct college savings programs. Like Bright Directions, these plans are qualified tuition programs under Section 529 of the Internal Revenue Code, which allows individuals to invest in higher education without paying taxes on earnings. Earnings can be spent on qualified expenses at eligible educational institutions, including public and private schools, two-year and four-year colleges and universities, and certain technical and vocational schools.

Currently, more than 400,000 residents hold a Bright Directions or Bright Start account.

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For more information about the Treasurer's Office 529 College Savings programs, visit www.illinoistreasurer.gov.

About the Illinois Treasurer

The Illinois Treasurer is the state's Chief Investment Officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state's Chief Investment Officer, and Certified Public Finance Officer, he actively manages approximately \$25 billion. Currently, the portfolio includes \$13 billion in state funds, \$7 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of principal and returns \$28 to the state for every \$1 spent in operations. The Treasurer's office predates Illinois' incorporation in 1818. Voters in 1848 chose to make it an elected office.

The Bright Directions College Savings Program is part of the Illinois College Savings Pool and is designed to qualify as a qualified tuition program under the provisions of Section 529 of the Internal Revenue Code. The Bright Directions 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, and Northern Trust Securities, Inc. acts as Distributor. Investments in the Bright Directions College Savings Program 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 Directions Program Disclosure Statement (issuer's official statement), which can be obtained from your financial professional and on 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 that are only available for investments in such state's 529 plan. Investors should consult a tax advisor.

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