



Michael W. Frerichs

ILLINOIS STATE TREASURER

FEBRUARY 2018 E-NEWSLETTER

Treasurer's Note

Investing in People

The treasurer's office invests approximately \$25 billion on behalf of taxpayers, college savers, and units of local government.

However, I firmly believe we must invest in people. Investing in people creates the building blocks of better neighborhoods and communities. That leads to job creation and stronger local economies.

The Community Uplift Program is our newest tool to help people invest in themselves. We have committed \$500 million to flow through local banking institutions to help individuals obtain loans at below-market rates to fund business growth that will lead to more jobs and operational efficiencies.

The Community Uplift Program prioritizes areas across our state that still suffer the lingering effects of the recession. Economists insist the downturn officially ended nearly a decade ago, but too many of us know families still struggling to recover. To participate in the Community Uplift Program, banks and financial institutions must become an approved depository with the treasurer's office and submit a program application. For more information on that process, please click [here](#).

Helping people who want to help themselves has been a hallmark of the treasurer's office since I first walked through the doors in 2015. I firmly expect the Community Uplift Program to complement other tools we offer, including:

College Savings: Bright Start and Bright Directions help parents show a child that college is obtainable. An independent review by Morningstar, a global investment research firm, named the plans among the best in the country.

ABLE: Illinois is a national leader in helping individuals with a disability save their own money for their own needs. Modeled after the college savings plans, ABLE investments allow tax-free growth when spent on qualifying purchases.

Secure Choice: Secure Choice is a retirement savings plan that travels with the worker. Facilitating such savings allows people who appreciate the dignity of work to save for their own retirement and alleviate the pressures of safety-net programs that are supported with state and local tax dollars.

Finally Home: Not everyone enjoys pristine credit. However, that should not become a life-long barrier to home ownership. Finally Home helps individuals with marginal credit obtain that first mortgage and stabilize neighborhoods through increased home ownership.

As the state's Chief Investment Officer, I believe we must invest money in a manner that supports community development while meeting our primary investment objectives of safety, liquidity, and return on investment. These programs do exactly that. Learn more by visiting www.illinoistreasurer.gov.

Sincerely,
Michael W. Frerichs
Illinois State Treasurer



Unclaimed Property

Listening to You

We heard your concerns, and we acted.

We have launched two new programs to make it easier and faster to claim your unclaimed property that has been surrendered to the treasurer's office. Each new program is a direct result of listening to you.

E-Claiming allows individuals to use a computer to send documents electronically to a safe and secure website. Moving electronic documentation away from snail mail will save weeks in processing time.

Fast Track allows quick approval for simple, small-dollar claims. An automated review process compares claimant information with information already available on the unclaimed property, such as a social security number, mailing address or name change.

Now, to be fair, some claims are just difficult. For example, claims that involve a relative who passed away typically will not be eligible for E-Claiming or Fast Track.

Also, claims that involve multiple owners living at multiple addresses still will require additional paperwork to confirm relationships and identities. Why? Well, of the fraud attempts we encounter every day, the most common type involves family members against family members.

However, most people do it right and play by the rules. Thanks to everyone who offered suggestions and advice. Your ideas led us to creating E-Claiming and Fast Track.



Unclaimed Property

Lost Bank Accounts And Tax Time

In Illinois, misplaced bank and investment accounts is a common form of unclaimed property.

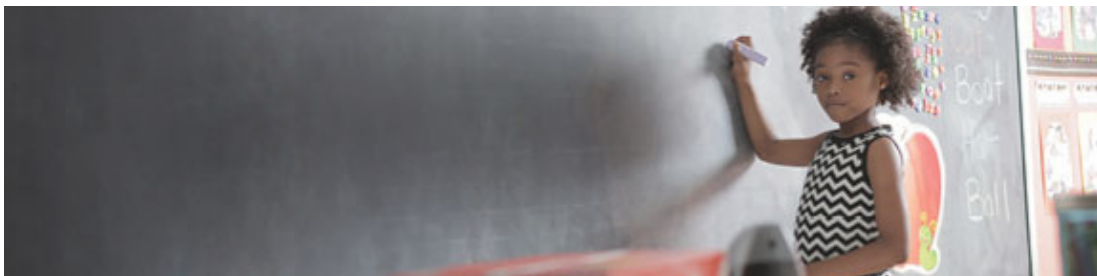
January, February, and March present an excellent opportunity to create a comprehensive list of existing accounts because banks, credit unions, and investment accounts will send information needed to prepare tax returns.

Compiling a list at this time allows for an annual review to make sure each household has a complete list of all accounts.

Even individuals who have not recently moved or taken a new job can benefit from this process. As technology improves, account information is updated. However, sometimes these updates include innocent mistakes. One number off on an address, or one letter off on a name, could create enough confusion to ‘misplace’ an account.

In Illinois, property typically is considered unclaimed if the owner has not touched it in three years. For example, a savings account without activity for three years could be considered unclaimed property. When that occurs, the money is surrendered to the state treasurer’s office.

A database of unclaimed property can be found [here](#). Individuals, businesses, and non-profits could have unclaimed property. Because items are surrendered twice a year, the office encourages individuals to search twice a year. **Illinois State Treasurer Michael Frerichs’ office never charges money to search for unclaimed property.**



Federal Tax Changes

College Savings and K-12 Expenses

Federal lawmakers in Washington D.C. recently made sweeping changes to the federal tax code that is confusing some Illinois families who invest in the 529 college savings plans Bright Start and Bright Directions.

The federal tax changes attempted to allow money from 529 accounts to pay for tuition, fees, and other expenses at private or parochial schools, including Catholic schools.

However, Illinois law specifically limits Bright Start and Bright Directions dollars to higher education expenses in order to take full advantage of tax-free investment growth.

Therefore, unless the Illinois legislature changes state law, using 529 college savings money for elementary and high school expenses is not permissible. Those who do so risk a tax penalty.

It is important to note that **the federal tax reform did not change any of the benefits for using Bright Start or Bright Directions to save or pay for higher education.**

More information is [here](#).



On the Horizon

Treasurer Frerichs Celebrates Black History Month

February is Black History Month, a month-long remembrance of people, achievements, and events that have shaped the African-American community. Treasurer Frerichs will host a celebration in Springfield that will take place beginning at Noon on Tuesday, Feb. 27th in the rotunda of the Illinois State Capitol.

All are welcome.

Additional details will be posted to the Treasurer's [Facebook page](#) as they are available.

If you would like to contact the Office of the Illinois State Treasurer, please visit our [contact us](#) page.

To modify your e-mail options or opt out of receiving the Office of the Illinois State Treasurer's electronic communications, please [click here](#).