



JANUARY 2020 E-NEWSLETTER

Treasurer's Note

Common Sense in 2020

There is a new front in our battle to return money to you.

Many of you know that the Illinois Treasurer's Office has more than \$3 billion in cash and items that have been surrendered as unclaimed property. Examples include lost bank accounts, insurance policy proceeds, and forgotten safe deposit boxes. We typically receive these items after they have been untouched by their owners for three or five years. By law, we are required to return the value of the cash or property no matter how long it takes.

However, there is a \$26 billion loophole at the federal level. The loophole is the simple U.S. Savings Bond.

For generations, savings bonds have been a staple for family gifts commemorating birthdays, holidays, and graduations. A savings bond effectively is a loan to the federal government that can be redeemed with significant interest. For example, a \$50 Series EE bond purchased 30 years ago is worth more than \$100 today.

The federal government knows when the bonds mature and stop earning interest. However, federal officials do not tell the owners to cash the investment. Instead, federal officials stay silent and simply keep the money – and have been doing so for more than 70 years.

That is just plain wrong.

A bipartisan group is working to close this loophole. Proposed federal legislation would require the federal government to surrender the matured bonds to each state. In turn, we in Illinois would work to find the rightful owners. We estimate the value for Illinois residents to be approximately \$1 billion.

We work hard to return your unclaimed property. In the past four years, we quietly have returned more than \$733 million to Illinois families. It is the most money that has been returned since Illinois' unclaimed property program was established in 1961.

Closing this loophole is just common sense. Positive change occurs when elected leaders treat public money as if it were their own. We need more ideas like this.

May you find prosperity, generosity, and benefit from common sense in 2020.

Sincerely,
Michael W. Frerichs
Illinois State Treasurer



College Saving Plans Network

College Savings

The College Savings Plans Network recently announced Illinois State Treasurer Michael Frerichs has been elected chairman of the board. The Network is the leading source of information about Section 529 college savings plans and prepaid tuition plans.

In Illinois, Frerichs oversees two 529 college savings programs, Bright Start and Bright Directions. Both have earned top rankings and are considered among the best in the nation by Morningstar. Bright Start is one of four “Gold-Rated” plans and Bright Directions is one of two “Silver-Rated” plans, the highest available in the country.

Since 2015, Frerichs has worked to reduce fees and ensure more investment dollars go directly to college savings. These changes have helped the Illinois plans grow from approximately 385,000 accounts with \$7 billion in assets to more than 670,000 accounts with more than \$12 billion in assets. Nationally, there are 14 million 529 saving accounts.

Frerichs succeeds Director of Wisconsin’s College Savings Program, Jim DiUlio, as Network chair.

For more information about the Treasurer’s Office 529 college savings programs, visit www.illinoistreasurer.gov.



Mr. Ulrich and Mrs. O'Brien

Two Generous Hearts

Ernest Ulrich was a very generous man, and the Salvation Army of Greater Chicago is better for it.

\$40,000 better.

Mr. Ulrich passed away in 1999 in Chicago. He is believed to have been a military veteran, life-long bachelor, and had no heirs to handle his finances.

He did, however, have a generous heart. Investments valued at nearly \$40,000 were surrendered as unclaimed property and the treasurer's office was able to determine that Mr. Ulrich wanted the money to go to the Salvation Army of Greater Chicago.

Gladys O'Brien was a very generous woman, and the Orphans of the Storm animal shelter is better for it.

\$15,000 better.

Mrs. O'Brien passed away in 2006 in Rolling Meadows. As a younger woman, she was a secretary at Ford Motor Company. She was married at one time, and it seems her husband passed before she did. There were no known heirs to handle her finances.

She did, however, have a generous heart. Her life insurance policy worth \$15,000 was surrendered as unclaimed property and the treasurer's office was able to determine that Mrs. O'Brien wanted the money to go to the Riverwoods, Illinois, animal shelter.

In each case, the money was returned just in time for Christmas.



What does the Treasury Do?

Did You Know?

Lawmakers created Illinois' first unclaimed property law in 1961. It was applied retroactively to Aug. 17, 1946. Lawmakers assigned unclaimed property duties to the state treasurer's office beginning July 1, 1999. By law, the Illinois Treasurer's Office is required to return the value of the cash or property no matter how long it takes.