



OFFICE OF ILLINOIS STATE TREASURER

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Illinois Treasurer Michael Frerichs Announces Enhancements To Bright Start 529 College Savings

*Lower Fees, Low-Cost Investment Options, New App to Launch Sept. 30
TIAA was awarded long-term contract to manage the plan, the nation's sixth
largest direct-sold plan with more than \$12 billion in assets*

(Video files will be uploaded here: <https://cms.illinois.gov/agency/media/video/videos.html>)

Families with a Bright Start College Savings Program ([Bright Start 529](#)) will soon pay lower fees, gain access to low-cost, high-quality investments, and manage their accounts on a new phone app, Illinois State Treasurer Michael Frerichs announced Thursday.

“We worked to ensure that more of a family’s hard-earned savings goes toward the cost of college or a vocational school,” Frerichs said. “I am a firm believer in continuous improvement, especially for a program as crucial to Illinois families as college savings. One of my proudest accomplishments as State Treasurer has been taking a troubled program and transforming it into one of the nation’s best. I’m excited to announce today that we are making it even better.”

The changes will go into effect September 30 as [TIAA](#), one of the largest and most widely recognized program managers of 529 college savings plans, takes over as Bright Start 529 program manager. TIAA is a pioneer in 529 college savings plans. The agreement marks the largest new plan mandate in the history of TIAA’s Education Savings business, follows a competitive proposal process, and speaks to TIAA’s state-focused approach.

“Access to higher education is one of the keys to unlocking long-term economic opportunity for Americans and we believe this relationship with Illinois will help more people to plan, save, and pay for college expenses,” said David Nason, Chief Operating Officer of TIAA and President of TIAA Wealth Management. “The 529 marketplace is dynamic, and it is essential we provide college savers in Illinois the tools and information they need as they plan and prepare to pay for these expenses with confidence.”

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Bright Start 529 already is among the lowest-cost 529 savings plans in the country. To help Bright Start 529 families keep more of their money to pay for rising college costs, total average asset weighted fees will be reduced by 13 percent. That's on top of the more than \$100 million in fee reductions Frerichs has previously saved Illinois 529 account owners.

In addition, better technology will significantly improve the user experience. A new Bright Start 529 mobile app will allow account owners to manage their account, check balances, and open additional accounts for new beneficiaries on their phones. The account opening process will be quicker, and it will be easier and faster to send money directly to colleges. Illinois parents (and legal guardians) will now be able to claim their one-time Illinois First Steps \$50 seed deposit online when they open a Bright Start 529 account (for a child born or adopted on January 1, 2023 or later) – no more paper forms. Visitors to BrightStart.com will find a refreshed award-winning website design.

Bright Start 529's low-cost investment approach will remain in place. The significant investment lineup enhancement will be the transition from the current Age-Based Portfolio structure to an Enrollment Year Portfolio structure, allowing for a better investor experience due to the gradual rebalancing of the investment portfolios. The Enrollment Year Portfolios offer more flexibility to meet varying investment objectives, risk profiles, and an investment time horizon tied to the future student's year of enrollment or use instead of their age. Account owners remain in control of how they invest their college savings and can continue to choose options that closely align with their investment objectives and risk tolerance.

More Bright Start 529 business will be handled by Illinois-based companies, including Nuveen as investment partner, and Razorfish and Purple Group as marketing firms.

The transition will occur from 3 p.m. Wednesday, September 25 through Sunday, September 29. During that time, no withdrawals, contributions, or account changes will be processed. Account access and the ability to make transactions will resume at 7 a.m. Monday, September 30.

Bright Start 529 officials have long recommended that account holders withdraw funds 10 days before tuition is due, and for the fall semester they are recommending that parents do so by September 18. The tuition deadline for students at the University of Illinois and Northern Illinois University is Saturday, September 28.

After the transition is complete, parents will need to re-establish their online account access on brightstart.com and will need to update payroll instructions with their employer. To build awareness of the transition, Bright Start 529 has sent account owners numerous emails and mailers about the upcoming changes. All transition communications are posted at BrightStartEnhancements.com.

Under Frerichs, Bright Start 529 has been recognized as among the nation's best 529 college savings plans by Time, Business Insider, Morningstar, Forbes and Savingforcollege.com. [Source: [Campbell, Tessa. "Best 529 Plan for 2024." Business Insider, 6/28/2024.](#) [McGurran, Brianna. "Best 529 Plans of 2024." Forbes Advisor, 7/1/2024.](#) [Lake, Rebecca. "Best 529 College Savings Plans for 2024." TIME Stamped, 5/8/2024.](#)]

[Research](#) shows a child is three times more likely to attend college if they know they have a dedicated college savings account. For more information, or to open an account, visit BrightStart.com and click on the college savings button. There is no minimum amount to open an account. The financial adviser-directed Bright Directions program continues under Union Bank and Trust as program manager.

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With more than \$20 billion in assets, Illinois 529 plan includes 500,000 Bright Start 529 self-directed accounts and 400,000 Bright Directions advisor-guided accounts and is the sixth-largest 529 program in the country. The addition of the Illinois direct-sold plan means more than 25% of all Americans will live in a state where TIAA manages the 529 plan. The current roster of states includes six direct-sold plans: California, Georgia, Michigan, Minnesota, Oklahoma, and Wisconsin, and two advisor-sold plans: Michigan and Colorado, and now Illinois. As of June 30, 2024, TIAA Education Savings has \$46.2 billion assets under management.

About the Illinois Treasurer

The Illinois State Treasurer's Office is a powerful economic engine that invests in people to drive prosperity, development and growth throughout the state. As State Treasurer, Michael Frerichs (FRAIR'iks) is the state's Chief Investment and Banking Officer and actively manages approximately \$60 billion. The investments help families pay for college and trade school, and workers save for a dignified retirement. The office provides financial institutions money to loan to farmers, small business owners, and qualified individuals at below-market rates because better jobs create stronger communities. The office operates the state's largest consumer-protection initiative, the unclaimed property I-CASH program, which has returned a record-breaking \$2 billion since Frerichs was elected.

For more news about the State Treasurer's Office, please follow Treasurer Frerichs on Instagram at [ILTreasurer](#), [LinkedIn](#) and Facebook at [Invested in You – Treasurer Michael Frerichs](#). You can find our weekly newsletter [here](#).

About TIAA

TIAA is a leading provider of secure retirements and outcome-focused investment solutions to millions of people and thousands of institutions. It is the #1 not-for-profit retirement market provider [Source: As of July 21, 2022. Based on data in PLANSPONSOR's 403(b) 2022 DC Recordkeeping Survey, combined 457 and 403(b) data.], paid more than \$5.1 billion in lifetime income to retired clients in 2022 and has \$1.3 trillion in assets under management (as of 6/30/2024) [Source: As of September 30, 2023, assets under management across Nuveen Investments affiliates and TIAA investment management teams are \$1,217 billion]. TIAA-CREF Tuition Financing, Inc. (TFI) is the education savings division within TIAA. TIAA is a pioneer in 529 college savings plans, and the sixth largest provider with \$46.2 billion assets under management.

Learn more [about TIAA](#)

Read the latest [TIAA news](#)

Please refer to the Program Disclosure Statement at [BrightStart.com](#) prior to investing for its investment objectives, risks, charges and expenses and whether your home state offers tax or other benefits such as financial aid, scholarship funds, or protection from creditors for investing in its own 529 plan. Read it carefully. Investments in the Plan are neither insured nor guaranteed (except as provided in the Plan Description solely with respect to the FDIC-insured Bank Savings Underlying Investment) and there is the risk of investment loss. The Bright Start Direct-Sold College Savings Program is sponsored by the State of Illinois and administered by the Illinois State Treasurer, as Trustee. Union Bank and Trust Company serves as the Program Manager.

Upon completion of the transition, TIAA-CREF Tuition Financing, Inc., an SEC registered investment adviser, will be the Plan Manager for the Bright Start Direct-Sold College Savings Program. TIAA-CREF Individual & Institutional Services, LLC, member FINRA, will be the distributor for the plan.

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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