


*Today's
a good day.*



ILLINOIS' 529 COLLEGE SAVINGS PLAN







**Your children deserve
an opportunity for higher
education, and you can
help them achieve it.**

Whether your kids are learning to walk or are in their teenage years, it's never too late to prepare for their futures. Opening a Bright Start College Savings account doesn't take much, and it's a great way to help your children avoid a lifetime of debt. Every day you don't save is a missed opportunity to do something great.

In the following pages, you will learn more about saving for your child's future, explore the many Bright Start College Savings options and deepen your understanding of what's covered under each plan. Today's a good day to learn more about saving for the future.

Today's a good day.

VISIT [BRIGHTSTARTSAVINGS.COM](https://brightstartavings.com) TO LEARN MORE.





Start preparing today for a brighter tomorrow.

Three Pillars of Paying for College

For the vast majority of families, paying for a child's education is rarely an all-or-nothing proposition. Because only a select few students receive full scholarships, most families typically take a three-pronged approach:



The exact mix matters because it greatly influences the true cost of college. Families who save even modest amounts early and often can potentially reduce their out-of-pocket cost significantly and help keep their children from a lifetime of debt.



Your Child's Future, Realized.

What is a Bright Start College Savings Plan?

Simply put, it's an investment plan that helps you save for your child's future education. We want to help take the guesswork out of saving by offering various strategies to fit your exact saving goals.

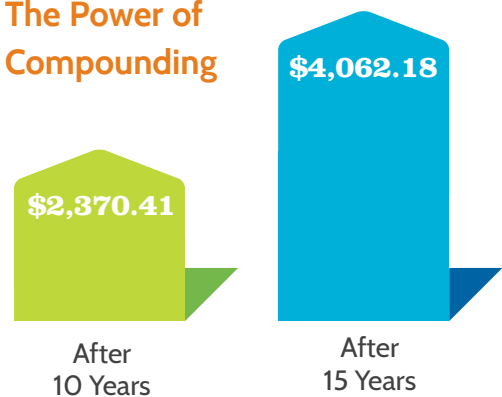
When Should I Start Saving?

It is always a good day to start saving. The phrase, "a dollar saved is two dollars earned," is truly a powerful statement, one that exemplifies college savings plans and one of the reasons to start saving now. By starting early, you can lessen your financial burden, build your account over time and plan for the day they go to college. You can make saving even easier by signing up for an automatic monthly investment program to ensure you never miss a contribution.¹

How Can My Account Grow Over Time?

Thanks to the power of compounding, which is the ability to earn money on previous earnings, saving as little as \$15 a month can significantly increase your account balance over time. Please see the below example to further understand the potential of your account.

The Power of Compounding



Hypothetical growth of account with \$25 initial investment plus \$15 each month over 10- and 15-year periods

This example is for illustrative purposes only and does not predict or depict the returns on any investment. This hypothetical example assumes an annual rate of return of 5% with no fluctuation in principal. It does not reflect the effects of taxes, plan fees and expenses, and assumes that the investments are made at the beginning of each month.

1. Systematic investing does not assure a profit and does not protect against loss in declining markets. Before investing, investors should read the Program Disclosure Statement and evaluate their long-term financial ability to participate in such a plan. Disclosure Statement and evaluate their long-term financial ability to participate in such a plan.s.



Benefits to a Bright Start Account

Bright Start offers a number of advantages that make it easier to pay for your child's higher education.



Low Fees

Bright Start College Savings is among the nation's most affordable 529 plans.



Low Minimums

You can open an account with an initial contribution as little as \$25 and make additional investments of \$15 or more. Please see the Program Disclosure Statement for more details.



Extensive School Choices

You can use your Bright Start savings at most accredited public and private institutions in the U.S., as well as some foreign institutions.



Broad Eligibility

Parents, grandparents, aunts and uncles, and even family friends are eligible to contribute to your account.



A Wide Range of Investments

From Age-Based to Choice-Based portfolios, Bright Start offers expansive investment options for you and your family.



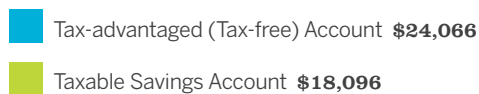
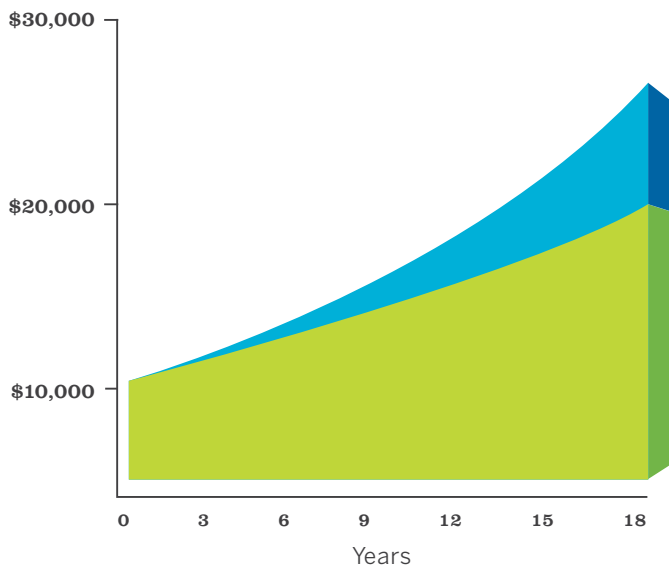
Flexibility to Change Your Investment Options

You have control over your savings and how they are allocated among your investment options.

Tax Advantages: Another Way to Save

Bright Start College Savings offers a number of advantages that make it easier to save money, grow assets and pay for your child's future. Your 529 plan also provides special tax benefits intended to help families save for higher education.

The Benefits of Tax-free Growth



This hypothetical illustration assumes an initial investment of \$10,000 and a 5% annual rate of return. The taxable account assumes a 28% federal and 5% state tax rate. The illustration does not represent the performance of any specific account or investment and does not reflect any plan fees or charges that may apply. If such fees or charges had been taken into account, returns would have been lower.

Tax-Free Withdrawals

All withdrawals are federal tax free and state tax free for Illinois residents as long as the money is used to pay for qualified educational expenses. Qualified expenses include tuition, fees, books, room and board, and even equipment like computers and internet connection.

State Tax Deductions

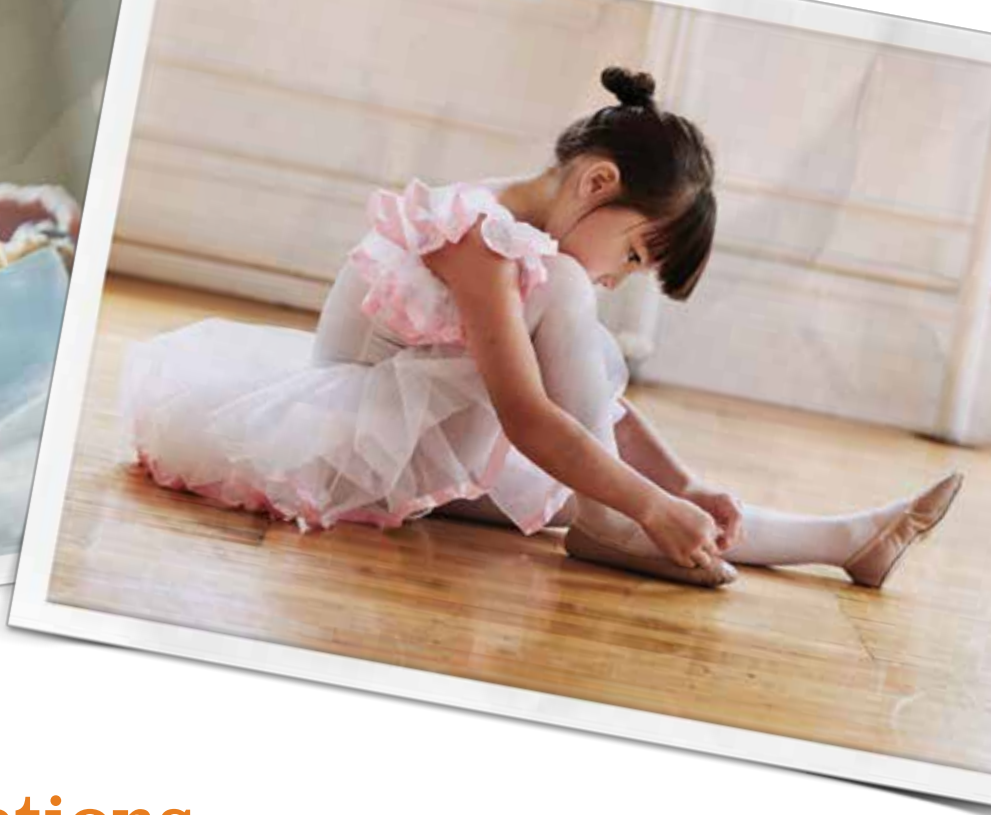
Overall contributions to Illinois 529 plans are deductible from your Illinois state taxable income, up to \$10,000 (\$20,000 if married and filing jointly) per year, including the contribution (but not earnings) portion of rollovers from other state 529 plans.² The amount of any deduction previously taken for Illinois individual income tax purposes is subject to recapture if such assets are rolled over to a non-Illinois 529 plan.

Estate and Gift Tax Benefits

Bright Start is an attractive option for grandparents and extended family members because contributions are excluded from an account owner's estate when taxes are assessed. Additionally, they can contribute up to \$14,000 (\$28,000 for married couples) annually, per beneficiary, or up to \$70,000 (\$140,000 for married couples) prorated over a five-year period without having to pay gifts taxes.³

2. Based on informal guidance from the Illinois Department of Revenue that is not binding on the Department.

3. If the account owner dies before the end of the five-year period, a prorated portion of the contribution allocable to the remaining years in the five-year period, beginning with the year after the contributor's death, will be included within his or her estate for federal estate tax purposes.



Investment Options

Bright Start College Savings offers many portfolio options and allocation strategies designed to help you find the right fit for your savings goal.⁴ You may invest in the **Age-Based Portfolios**, the **Choice-Based Portfolios** or a combination of both. Additionally, each portfolio offers a choice of investment management strategies. With Bright Start you can choose an Index Strategy, a Blended Strategy or a combination of the two.

Index Strategy

Generally, the strategy is designed to generate returns that attempt to track the performance of a major market index over the long term. Transaction costs and other expenses are lower because your securities held mimic a major market index.

Blended Strategy

This strategy offers a combination of index and actively managed investments in one portfolio. Actively managed investments are designed to generate returns that attempt to beat a major market index over the long term.

⁴ The portfolios' investments are managed by OppenheimerFunds, Inc., The Vanguard Group and American Century Investments.

Allocation Flexibility

You have the opportunity to change how your savings are allocated among investment options should your needs and goals change. However, certain rules apply. You may adjust your allocations for money previously invested twice per calendar year, and you may at any time allocate new contributions among any combination of available investment options.

Age-Based Portfolios

Your account is placed in one of six portfolios, based on the beneficiary's age and your choice of an active or index strategy, and automatically adjusts over time. The asset allocation of the portfolio aims to be more aggressive when the beneficiary is younger, and to grow more conservative as the beneficiary grows older.

	Blended Strategy	Index Strategy	Portfolio Objective
Age-Based 0–6 Years Portfolio			Seeks long-term growth by investing primarily in equity investments. A percentage of assets are invested in fixed income investments to help provide some protection from equity volatility.
Age-Based 7–9 Years Portfolio			Seeks growth by investing in an allocation weighted toward equity investments versus fixed income and money market investments.
Age-Based 10–11 Years Portfolio			Seeks moderate growth by investing in a balanced asset allocation slightly weighted toward equity investments over fixed income and money market investments.
Age-Based 12–14 Years Portfolio			Seeks moderate growth by investing in a balanced asset allocation weighted equally between equity investments and fixed income and money market investments.
Age-Based 15–17 Years Portfolio			Seeks conservative growth by investing in an asset allocation weighted between fixed income and money market investments and equity investments.
Age-Based 18 Years Portfolio			Seeks preservation of capital with minimal growth by investing primarily in fixed income and money market investments to help maintain stability.

■ Equity
 ■ Fixed-Income
 ■ Money-Market

A Portfolio may invest its assets in mutual funds; have its assets managed in a separate account by OFI Private Investments Inc. for the benefit of the Bright Start Trust; or a combination of the two. Each underlying investment has its own risks. For example, the prices of small-cap stocks are generally more volatile than large company stocks. There are special risks inherent to international investing, including currency, political, social and economic risks. Investments in growth stocks may be more volatile than other securities. With value investing, if the marketplace does not recognize that a security is undervalued, the expected price increase may not occur. Fixed income investing entails credit and interest rate risks. When interest rates rise, bond prices generally fall, and the underlying fund's or account's value can fall. Diversification does not guarantee a profit or protect against loss. **For more details and associated risks, please see the Program Disclosure Statement.**

Choice-Based Portfolios

Investing in any of the following portfolios means exercising more control over your account. Unlike the Age-Based Portfolios, the asset allocation of the Choice-Based Portfolios remains constant. Choose the portfolio, or portfolios, that are suitable for your goals and risk tolerance.

	Blended Strategy	Index Strategy	Portfolio Objective
Equity Portfolio			Seeks long-term capital appreciation by investing all of its assets in equity investments.
Balanced Portfolio			Seeks moderate growth by investing in a balanced asset allocation weighted between equity investments and fixed income and money market investments.
Fixed-Income Portfolio			Seeks total return by investing primarily in investment-grade bonds and U.S. Government securities.
Money-Market Portfolio			Seeks preservation of capital by investing all of its assets in a money market mutual fund.

■ Equity
 ■ Fixed-Income
 ■ Money-Market

*You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.



Find the answers you're looking for

Q: Who can be a beneficiary of a Bright Start account?

A: Any U.S. resident. You must have a valid Social Security number or Individual Taxpayer Identification number. The account can be set up for your child, grandchild, spouse or someone who is not related to you. You can even open an account for yourself.

Q: Who can contribute to a Bright Start account?

A: Any family member or friend, regardless of income or state residency, plus corporations, partnerships, trusts or charitable organizations.

Q: How will 529 plan savings affect my child's chances for federal financial aid?

A: When figuring the role of 529 plan assets in calculating a family's federal financial aid eligibility

- if the child is a dependent, then the 529 plan assets will be considered assets of the parent, regardless of whether the child or the parent is the account owner.
- if the child is not a dependent and is the account owner, then the 529 plan assets will be considered assets of the child.

States and schools may treat the 529 plan assets differently.

Q: Can my child go to a two-year college?

A: Yes, accounts can also be used for trade schools, vocational school and other higher education institutions that are accredited by the state.



Q: What if my beneficiary receives a scholarship for higher education expenses?

A: You can withdraw an amount equal to the value of the scholarship free of any federal tax penalty on the earnings. However, the earnings on the withdrawal would be subject to applicable federal and state taxes.

Q: What if my beneficiary does not go to college?

A: Because you always retain control of your withdrawals, you may:

- **keep the funds** in the account in case the beneficiary changes his or her mind.
- **change your beneficiary** to another qualified family member.⁵
- **make a "nonqualified" withdrawal** and pay applicable federal and state taxes on the earnings portion. A 10% federal tax penalty on the earnings portion of the nonqualified withdrawal may apply.

Q: Can I roll over money from another 529 plan to Bright Start College Savings?

A: Yes. To maintain the tax benefits of an existing 529 account, you can either make a withdrawal from that account and send it to us within 60 days of the withdrawal, or submit a rollover application form which will allow us to transfer the money directly.


5. There may be gift or generation-skipping tax consequences depending on who the new beneficiary is. See the Program Disclosure Statement for more information.


Start Saving *Today.*

What you save today can help your child avoid a lifetime of college debt.

Here's how:

 Visit **brightstartsavings.com**

 Click "Enroll Online"

 Follow the simple instructions

Alternatively, you may complete and return the enclosed Account Application, along with a check for your initial contribution of \$25 or more, made payable to Bright Start College Savings.

No matter how you open your account, make sure to read the enclosed Program Disclosure Statement, which describes the investment options, risks, fees and other expenses associated with investing in the program.

We're here to help.

Our Bright Start customer service representatives are ready to answer any questions you may have. Please call **1.877.43BRIGHT (1.877.432.7444)**.

**Find helpful tools
and information
on our website**

- Investment performance information
- Educational articles
- A quick college cost calculator
- Easy access to important forms





Today's a good day.

Bright Start  College Savings

FOR MORE INFORMATION AND PLAN DETAILS, VISIT BRIGHTSTARTSAVINGS.COM

This material is provided for general and educational purposes only, and is not intended to provide legal, tax or investment advice, or for use to avoid penalties that may be imposed under U.S. federal tax laws. Contact your attorney or other advisor regarding your specific legal, investment or tax situation.

The Bright Start® College Savings Program is administered by the State Treasurer of the State of Illinois and distributed by OppenheimerFunds Distributor, Inc. OFI Private Investments Inc., a subsidiary of OppenheimerFunds, Inc., is the program manager of the Plan. Some states offer favorable tax treatment to their residents only if they invest in the state's own plan. Investors should consider before investing whether their or their designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program and should consult their tax advisor. These securities are neither FDIC insured nor guaranteed and may lose value.

Before investing in the Plan, investors should carefully consider the investment objectives, risks, charges and expenses associated with municipal fund securities. The Program Disclosure Statement and Participation Agreement contain this and other information about the Plan, and may be obtained by visiting brightstartsavings.com or calling 1.877.43.BRIGHT (1.877.432.7444). Investors should read these documents carefully before investing.

The Bright Start® College Savings Program is distributed by OppenheimerFunds Distributor, Inc. Member FINRA, SIPC
Two World Financial Center, 225 Liberty Street, New York, NY 10281-1008
© 2016 OppenheimerFunds Distributor, Inc. All rights reserved.

IL0000.001.0916 September 2016

 **Michael W. Frerichs**
ILLINOIS STATE TREASURER



OppenheimerFunds
The Right Way
to Invest