

# Illinois maintains silver-rating for Bright Directions 529 plan

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**CHICAGO** – Illinois Treasurer Michael Frerichs announced today that Illinois’ Bright Directions College Savings Program was named among the best in the nation, according to Morningstar. Morningstar, which evaluates and rates college savings plans, released its results Tuesday rating Bright Directions a “Silver-Rated Fund”. According to Morningstar, Bright Directions is one of the two highest rated advisor-sold plans in the country.

“We are always looking for ways to improve our investment products to help make saving for college more affordable for Illinois families,” Treasurer Frerichs said. “We are grateful that Morningstar continues to hold Bright Directions in high esteem. The improvements to the age-based portfolios are an indication of the hard work our team has done to improve our college savings plans.”

Morningstar identified 33 plans expected to outperform peers on a risk-adjusted basis, assigning those plans Gold, Silver, and Bronze Morningstar Analyst Ratings. The plans are evaluated based on five key pillars -- Process, Performance, People, Parent, and Price.

According to Morningstar, Illinois’ advisor-sold Bright Directions College Savings Program maintained its silver rating for a number of reasons, including cutting fees significantly in November 2015 with program manager Union Bank and Trust, improving the investment design in the age-based investment options, and the attentiveness that the Treasurer has placed on the Illinois 529 plans.

Last year, Treasurer Frerichs announced the elimination of the Bright Directions \$10 set-up fee and \$3 quarterly maintenance fee to ensure more investment dollars will go to college savings. Management fees also will be slashed by over 50 percent. More than 115,000 accounts have benefitted from the new terms.

In addition to Bright Directions, the Treasurer’s Office also manages the Bright Start College Savings Program. Both plans are designed as “qualified tuition programs” under Section 529 of the Internal Revenue Code. They are different than pre-paid tuition plans. Currently, more than 435,000 residents hold a Bright Directions or Bright Start account.

Money in a 529 college savings account can be used at eligible educational institutions, including public and private, two-year, four-year colleges and universities and certain technical and vocational schools.

The Treasurer’s Office does not manage the College Illinois pre-paid tuition program.

For more information about the Treasurer's Office 529 College Savings programs, visit [www.illinoistreasurer.gov](http://www.illinoistreasurer.gov).