

Illinois Treasurer Michael Frerichs Reminds New Parents to Claim \$50 Deposit in Illinois 529 College Savings Account

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SPRINGFIELD – If you had a baby or adopted this year, don't forget to open a Bright Start or Bright Directions college savings account and claim your \$50 seed deposit from the Illinois First Steps program, State Treasurer Michael Frerichs reminded new parents today.



“We launched the Illinois First Steps program this year to help put families on a path to saving early for their child’s education,” Frerichs said. “Saving now means money will be available when your child is ready to attend a university, community college, trade school, or start an apprenticeship.”

To qualify for the Illinois First Steps \$50 seed deposit, parents or legal guardians must be Illinois residents at the time of birth or adoption, the beneficiary child must be born or adopted on or after Jan. 1, 2023, open an Illinois 529 college savings account with Bright Start or Bright Directions, and claim the seed deposit before the child's 10th birthday.

Bright Start and Bright Directions are the State Treasurer’s Office’s highly rated 529 college savings programs. Parents can open an account at brightstart.com and submit a claim for the \$50 First Steps seed deposit during the enrollment process. Parents who already have a Bright Start account for their eligible child can go to brightstart.com/first-steps/claim/ to submit a claim. Bright Start is accessible and affordable, with no minimum contribution, minimum balance, or annual fee. Parents who prefer to work with a financial advisor can claim their \$50 deposit by visiting the Bright Directions website, <https://brightdirections.com/first-steps/>.

The \$50 seed deposit is a great place to start, but it is only the beginning of a parent’s college savings journey. College costs have risen more than 134% during the past 20 years. Saving early gives parents more time to set aside money. A Washington University study found that having any amount of money put away in a dedicated college savings account increases the likelihood of a child pursuing education after high school.

State lawmakers approved the college savings incentive in 2019. In 2022, they set aside \$2.5 million to start the program. The State Treasurer’s Office coined the name Illinois First Steps and launched the program this year.

Contributions into a loved one’s Bright Start account also make great holiday gifts. You can visit the [gifting web page](#), give the gift of a contribution online or by mail, and let the gift recipient know. Every contribution, no matter how big or small, plays a significant role in shaping a child’s educational journey.

Additionally, Bright Start and Bright Directions offer tax benefits for Illinois taxpayers. To take advantage of the 2023 state tax deduction, contributions to a Bright Start account must have a 2023 postmark or [be completed online](#) by 11:59 p.m. Central time Dec. 31, 2023. More information is available on the Bright Start [tax benefits page](#).

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 investment grows tax-free when spent on qualified higher education expenses.

Treasurer Frerichs has worked to reduce fees and ensure more investment dollars go directly to college savings. These changes have helped the plans grow from \$7 billion in assets in 2015 to over \$17 billion in assets today.

A list of Frequently Asked Questions about Illinois First Steps is at brightstart.com/first-steps.

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 \$55 billion. The investments help families pay for college and trade school; workers save for a dignified retirement; and local governments process bill payments more efficiently so they can pass along the savings to taxpayers. 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 \$1.8 billion since Frerichs was elected.

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