

College is necessary.  
Tuition debt is not.

# PREPAY AND SAVE NOW.

---

529 PREPAID TUITION PROGRAM



**LOOK INSIDE** to find what you need to set them up for future success—starting today.



**COLLEGE  
ILLINOIS!**  
529 prepaid tuition program

## TABLE OF CONTENTS

- 3 The Real Cost of College Debt
- 4 Six Powerful Reasons to Enroll
- 6 How to Enroll
- 8 Common Questions
- 11 Success Stories
- 12 Contact Information

A 529 plan is a **tax-advantaged plan** designed to encourage families to set aside funds for future college costs.



---

# The Real Cost of College Debt Can Be Shocking.

Student loan balances have more than tripled in the last 10 years, with **\$1.3 trillion in debt** reported in 2014. Members of the 2016 graduating class who borrowed to finance their degrees will have over \$37,000 in student loan debt — and that's just the average.<sup>1</sup>

Paying back high levels of debt can take decades. As a result, many young adults have been forced to delay important milestones in their lives, like buying a home, getting married, having children, saving for retirement, and entering a desired career field.<sup>2</sup>

## The good news?

**You have the ability to minimize future college loan debt for your child.**

Purchase a College Illinois!®  
529 Prepaid Tuition Plan and start  
paying for future college tuition today.

<sup>1</sup> CBS Money Watch. 2016. *Congrats, class of 2016: You're the most indebted yet.* <http://www.cbsnews.com/news/congrats-class-of-2016-youre-the-most-indebted-yet/>

<sup>2</sup> American Student Assistance. 2015. *LIFE DELAYED: The Impact of Student Debt on the Daily Lives of Young Americans.* [http://www.asa.org/site/assets/files/4743/life\\_delayed\\_whitepaper\\_2015.pdf](http://www.asa.org/site/assets/files/4743/life_delayed_whitepaper_2015.pdf)





---

## 6 POWERFUL REASONS TO Prepay for College Now with College Illinois!

1

### START EARLY, PAY LESS

College Illinois! plan pricing is based, in part, on the age of your child. The younger your child, the less you will pay. Plus, every year you delay increases the risk of higher college tuition and mandatory fees.

2

### TAX ADVANTAGES: NOW AND LATER

Within limits, there is an Illinois State income tax deduction for you or a family member who contributes to the College Illinois! plan in the year the contribution is made. Also, within limits, contributions are exempt from gift and estate tax. Later, when your child uses benefits to attend college, the increased value of your College Illinois! plan is 100% exempt from state and federal taxes.<sup>3</sup>

3

### PLAN CAN BE USED AT INSTITUTIONS ACROSS THE NATION

The value of plan benefits can be used at **any public or private college, university or trade school in the country recognized by the U.S. Department of Education**, and can be used at more than one college or university should your child choose to transfer.

4

### FLEXIBLE PLANS

**Purchase up to nine semesters** for any one child, with multiple plan and payment options to fit your needs. Increase or decrease the number of semesters in your plan **at any time** prior to the benefits being paid out.

5

### SIMPLE PURCHASING

It's easy for any U.S. resident 18 or older<sup>4</sup> to purchase a plan for a future student. That means **parents, friends, grandparents** and others can purchase a plan for a future student.

6

### PEACE OF MIND

Whether you purchase one semester or nine, you can feel the sense of relief that comes with helping set your child up for future success—*today*.

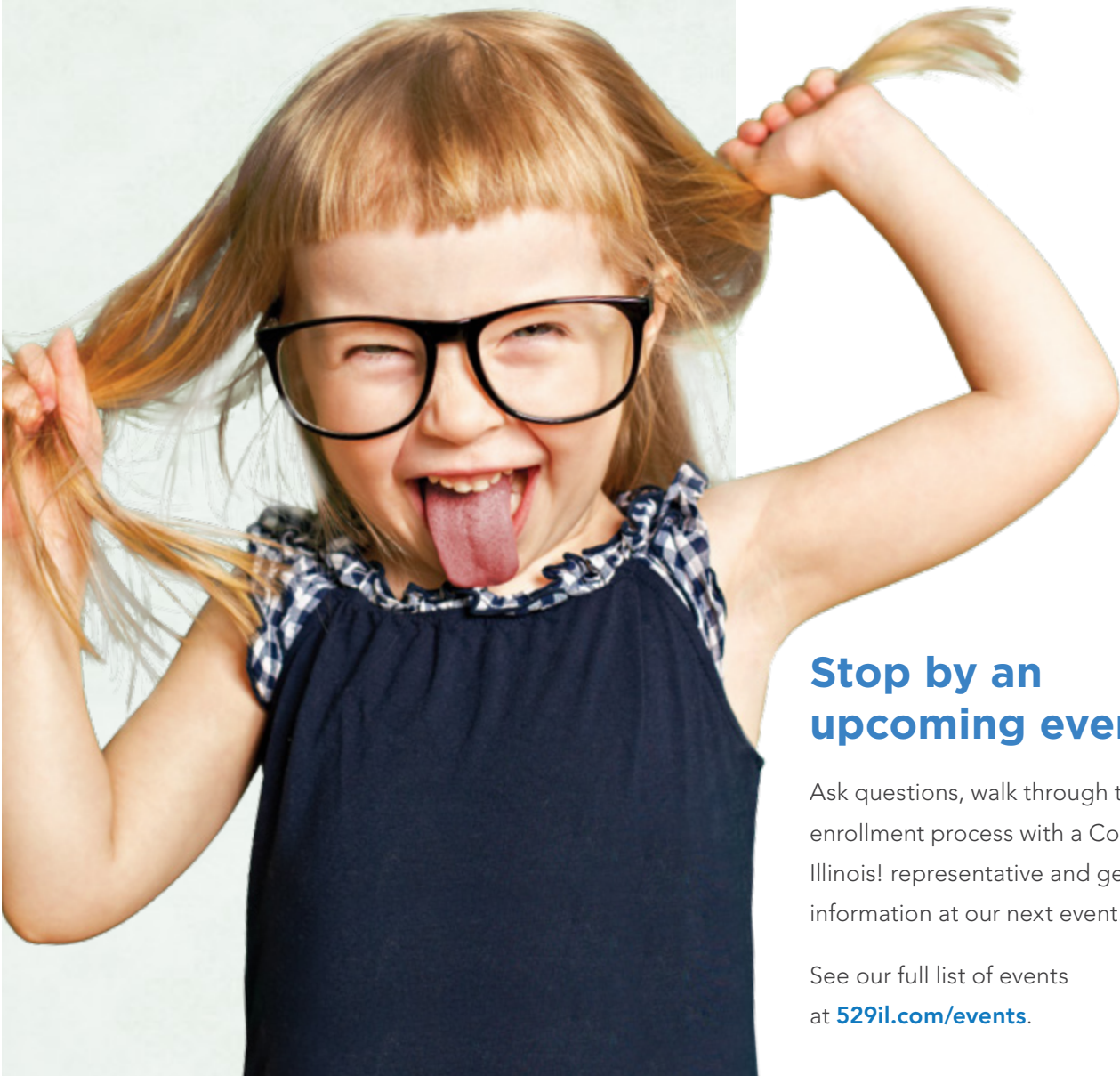
<sup>3</sup> College Illinois! cannot provide legal or tax advice. Please consult your tax advisor concerning federal and state tax implications of purchasing a contract.

<sup>4</sup> College Illinois! requires either the beneficiary or the purchaser to be an Illinois resident as described in the Disclosure Statement and Master Agreement.

## College Illinois! 529 Prepaid Tuition Plan

College Illinois! was created to help make college a reality for Illinois families. It reduces the risk of tuition inflation by allowing you to prepay college tuition and mandatory fees at today's plan rate.

So no matter how high tuition rates climb by the time your child is ready to attend school, tuition and mandatory fees will be covered at the schools in the plan you purchased. Or the value of plan benefits can be applied to tuition and fees at qualified colleges across the country.



### Stop by an upcoming event!

Ask questions, walk through the enrollment process with a College Illinois! representative and get more information at our next event.

See our full list of events  
at [529il.com/events](https://529il.com/events).

# How to Enroll

## 1 Choose one of our flexible prepaid tuition plans.

The program's 3-tier system gives you the flexibility to purchase plans that cover 100% of in-state tuition and mandatory fees at qualified Illinois public higher education institutions. You can purchase anywhere from 1 to 9 semesters, depending on the plan. **Remember—you can also use the value of your benefits at schools across the nation, not just in Illinois.**<sup>5</sup>

### UNDERSTAND YOUR 3 OPTIONS.



#### Choice 1 COMMUNITY COLLEGE

**Covers 100%**  
in-district tuition  
and mandatory  
fees at all Illinois  
community colleges

Purchase up to  
**4 semesters**



#### Choice 2 UNIVERSITY

**Covers 100%**  
in-state tuition and  
mandatory fees at all  
Illinois public universities  
except the University  
of Illinois at Urbana-  
Champaign (UIUC)

Plan benefits may  
be applied towards  
tuition and mandatory  
fees at UIUC

Purchase up to  
**9 semesters**

**COMBINATION PLAN:**  
4 Community College  
semesters and  
4 University  
semesters



#### Choice 3 UNIVERSITY+

**Covers 100%**  
in-state tuition and  
mandatory fees at  
UIUC and all Illinois  
public universities

Purchase up to  
**9 semesters**

**COMBINATION PLAN:**  
4 Community College  
semesters and  
4 University+ semesters

<sup>5</sup> For private or out-of-state schools, benefits are based on the mean-weighted-average value of tuition and mandatory fees charged by Illinois public universities or community colleges (in the plan you purchased) at the time your child enrolls in college.



---

# How to Enroll

## 2 Pick a payment option that fits your budget.

Make monthly, annual or lump-sum payments depending on your plan and the age of your child. Find a payment plan to fit your family's needs with the Plan Finder and other easy-to-use calculation tools at [529il.com/calc](https://529il.com/calc).

## 3 Prepay at today's plan pricing and reduce the impact of tuition inflation.

Once you choose your plan and payment option, **the price is locked in**. This means your **payments will not increase**, regardless of tuition increases. Purchase your plan today and freeze the cost of education for your child.

**Your child can  
attend colleges  
and universities  
ACROSS THE  
NATION.**

See page 8 for more  
information.



# Common Questions

## What will the College Illinois! 529 Prepaid Tuition Program cover?

*The program covers in-state or in-district tuition and mandatory fees for the number of semesters purchased for the schools within your plan. Each semester is equal to 15 credit hours. Mandatory fees are those fees required as a condition of enrollment for all students.*

## Am I limited to an Illinois public college or university?

*Benefits can be used almost anywhere. The value of your benefits can be applied to any public or private college, university or trade school in the country that is recognized by the U.S. Department of Education. For private or out-of-state schools, benefits are based on the mean-weighted-average value of tuition and mandatory fees charged by Illinois public universities or community colleges (in the plan you purchased) at the time your child enrolls in college.*

## Who can purchase or be covered by a College Illinois! 529 Prepaid Tuition Plan?

*Anyone 18 or older may purchase a contract and name either themselves or another person as beneficiary. Either the purchaser or the beneficiary must be a resident of Illinois. No maximum or minimum age limit applies to beneficiaries.*

## Who can contribute to a College Illinois! 529 Plan?

*Anyone! Grandparents, family members and friends 18 or older can make payments into an existing plan.*

## When can I use my plan?

*Benefits can be used three years after the first payment due date. The plan must be paid in full prior to use.*

## Can I cancel my plan?

*Yes, at any time. The amount of the refund depends on the particular circumstances and is subject to applicable fees and service charges.*

## Who manages the College Illinois! 529 Prepaid Tuition Program?

*Oversight of the Program is provided by the Illinois Student Assistance Commission, an agency of the state of Illinois, which was established more than 50 years ago with the mission of making college affordable for Illinois students. The Program complies with the requirements relating to qualified tuition programs under Section 529 of the Internal Revenue Code of 1986 and Illinois law.*

## What if I already contribute to another program?

*You can transfer funds from another qualified tuition program, Coverdell Education Savings Account or certain series of U.S. Savings Bonds to your College Illinois! account (or another qualified tuition program). You can also contribute to both a 529 prepaid plan and a 529 savings plan. Consult your tax advisor regarding the options available to you.*





---

# Common Questions

## What's the difference between 529 Prepaid Tuition Plans and 529 Savings Plans?

These two types of 529 plans are offered in the state of Illinois and have several similarities. They both:

- Operate under the same Federal 529 umbrella
- Are held separate from state funds and are professionally managed by third-party money managers
- Offer an Illinois income tax deduction and tax-free earnings when benefits are used for qualified higher-education expenses

While they have some similarities, here's how they're different.

---

### 529 Prepaid Tuition Plan

---

Purchase semesters of college now, **locking in the future cost of tuition** at today's plan rate.

**Eliminate uncertainty about the future cost of tuition** at Illinois public colleges and universities. With a College Illinois! Prepaid Tuition Plan, you know the tuition and mandatory fees will be covered for colleges in the plan you purchased.

**Pay one price now** that will cover future tuition and mandatory fees for each semester at the colleges and universities in your plan. Or apply the value of those semesters to most private or out-of-state colleges.

---

---

### 529 Savings Plan

---

**Save money to pay at the future rate of tuition** when your child is ready to attend college.

Funds available to pay for the future cost of college will **depend on how much you have saved and how well your investments have performed** by the time your child is ready to enroll.

**Save money** that can be used to help cover costs for tuition, fees, books, and/or room & board.

---

---

# Common Questions

## What if my child changes his or her mind about where to attend school?

Whether your child's education plan is straightforward—or takes some twists and turns—College Illinois! offers *flexible plans for whatever the future holds*. For example, let's say:

---

**You purchase a Choice 1 Community College Plan, but your student chooses to attend UIUC.**

*Although UIUC falls under Choice 3, your benefits can still be used to reduce your tuition costs at UIUC.*

---

**You purchase a Choice 3 University+ Plan, and your student chooses to attend a community college or Choice 2 University.**

*You can use your Choice 3 benefits to cover more semesters and/or receive a refund if benefits remain.*

---

**Your student receives a college scholarship.**

*Any unused benefits can be used toward graduate studies or transferred over to another family member. Unused benefits can also be refunded to the purchaser on a semester-by-semester basis up to the amount of the scholarship.*

---

**Your child chooses not to attend college.**

*Your plan can be held for future use or transferred to another family member, or you may receive a refund.*

---

Find additional information on transferring benefits and more at [529il.com/howitworks](https://529il.com/howitworks).

# Success Stories

More than 30,000 students have gone to college using College Illinois! benefits. Here are some recent stories.

**“** When our son was much younger, his paternal grandparents gifted us with money from their trust each Christmas. This money went into the College Illinois! account and established a financial foundation for our son’s college education. It was a gift both to the student, and to us, his parents, who were able to navigate college expenses more handily. I strongly recommend that parents and grandparents consider this option.”

Laura, Chicago, IL

**“** My story begins when I became a divorced mother of a 3-year-old. I did not know how I would be able to send my child to college. Without College Illinois! I would have had many sleepless nights worrying about my daughter’s future. Because of College Illinois! she is now a licensed professional with her master’s degree!”

Sharon, Rockdale, IL

**“** My wife and I opened our first account when my first child was born. College begins in the fall, and what a relief it is to have tuition paid in full. Thank you, College Illinois!”

Paul, Gurnee, IL

For more stories about how College Illinois! made college possible for beneficiaries across the state, visit [529il.com/stories](https://529il.com/stories).





---

## ENROLLMENT OPEN

# Nov. 1, 2016 – May 31, 2017

## NEWBORN\* ENROLLMENT EXTENDS THROUGH AUG. 31, 2017

\* Children born on or between September 1, 2016 and August 31, 2017



1755 Lake Cook Road  
Deerfield, Illinois 60015-5209

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 under U.S. federal tax laws. This material is not an offer to sell or a solicitation of an offer to buy any securities. You should read carefully the Disclosure Statement and Master Agreement before purchasing a plan.

© 2016 College Illinois!®. All rights reserved.

## START TODAY!

[collegeillinois.org](http://collegeillinois.org)  
1.877.877.3724

[isac.529info@isac.Illinois.gov](mailto:isac.529info@isac.Illinois.gov)

ISAC #F3580 10/16 (ON3580 4M 10/16)  
Printed by authority of the state of Illinois