



COLLEGE ILLINOIS!®  
529 PREPAID TUITION PROGRAM

# WINTER 2018 NEWSLETTER

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COLLEGE  
ILLINOIS!  
529 prepaid tuition program

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## News and Updates

### Sweeping federal tax reform will not impact your College Illinois! benefits

While the new tax law that went into effect at the beginning of this year includes some sweeping changes to the federal Tax Code, the tax benefits of your College Illinois! contract remain intact.

The tax reform does make a modification to Section 529, the federal law that governs your contract. It changes the definition of an allowable qualified higher education expense to include tuition expenses for attendance at elementary or secondary private schools (with limitations).

However, because Illinois state law dictates the terms of your College Illinois! contract, College Illinois! will pay tuition and mandatory fees at qualified postsecondary education institutions only and will not pay tuition and mandatory fees at K-12 schools.

***Please note that neither College Illinois! nor the Illinois Student Assistance Commission (ISAC) can provide you with legal or tax advice. Please consult your tax advisor concerning federal and state tax implications.***

### College Illinois! Enrollment and Program Update

Since its inception in 1998, more than 33,000 students have gone to college using College Illinois! benefits, and the Program has paid out more than \$970 million in plan benefits. The Program has continued to provide a unique, tax-advantaged option to help students achieve their educational goals, and while the funded status of the plan has improved over the last several years, an unfunded liability remains.

As part of our ongoing efforts as stewards of the College Illinois! Program, we have continued to communicate with elected officials regarding the status of the Program and potential legislative options to address the unfunded liability and strengthen the plan.

In light of our ongoing discussions with policymakers, Program enrollment for 2017-18 is currently on hold pending our collaborative efforts to help define proposals that will strengthen College Illinois! and move those proposals forward in the legislative process. For current contract holders, the Program continues to operate as usual with no change in benefit payments, customer service, or plan administration.

College Illinois! funds continue to be held in a separate trust fund that can only be used to pay plan benefits and for the cost of administering the Program. All plans continue to be backed by a moral obligation of the state, which means the Governor is required to request funding from the Illinois legislature sufficient to pay all program benefits in any future fiscal year where there is a funding shortfall. Fulfilling the State's moral obligation would take a vote of the General Assembly, but we understand that such obligations have historically been honored.

College Illinois! provides regularly updated information on the Program at [www.collegeillinois.org/AboutCollegellinois/program-updates.html](http://www.collegeillinois.org/AboutCollegellinois/program-updates.html). As always, historic and current Program financials are available at [www.collegeillinois.org/AboutCollegellinois/529Financials.html](http://www.collegeillinois.org/AboutCollegellinois/529Financials.html).

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## College Illinois! Tips

### Protect Your Account by Naming a Successor Purchaser

Each College Illinois! account you own should have a designated Successor Purchaser who would take control of the prepaid tuition account if something were to happen to you. Verify your Successor Purchaser designee by accessing your account online at [www.collegeillinois.org/MyAccount/index.html](http://www.collegeillinois.org/MyAccount/index.html), or by checking the annual statement mailed to you in January. You can designate someone to be a Successor Purchaser or change your current selection by mailing a completed, signed Successor Purchaser Form, available at [www.collegeillinois.org/Downloads/SuccessorPurchaserForm.pdf](http://www.collegeillinois.org/Downloads/SuccessorPurchaserForm.pdf), to College Illinois!

### Use the Website When It's Time to Use Your Prepaid Tuition

The College Illinois! website offers complete information about using prepaid tuition benefits, including a student handbook for using benefits, at [www.collegeillinois.org/MyAccount/benefits.html](http://www.collegeillinois.org/MyAccount/benefits.html). Learn how to get started, notify College Illinois! when attending a private or out-of-state college, and even track prepaid tuition payments made to schools. As your student progresses through college, you can log in to your College Illinois! account and visit the Benefits information section to see if College Illinois! has received a tuition bill from your school and when tuition payments are made.

### Keep Your Information Updated

It's important and easy to make sure the contact information College Illinois! has on file for you is up to date. Log in to your account online at [www.collegeillinois.org/MyAccount/index.html](http://www.collegeillinois.org/MyAccount/index.html) to update your email address, mailing address and more.



## Tools You Can Use

### Starting college in the near future?

College Illinois! is administered by the Illinois Student Assistance Commission (ISAC), the state's college access and financial aid agency. ISAC offers students and families an array of free services and tools to help students get the information they need to make the college choices that are right for them, and the financial aid to help them make college a reality.

Here are a few services and tools you and your College Illinois! beneficiary might find helpful—now or in the future:

### Comparing Financial Aid Awards? Check out our Financial Aid Award Letter Comparison Worksheet

While a College Illinois! plan can reduce and even eliminate the need for student loans and other types of financial aid, some students may still need additional financial assistance. For example, some students might need aid to cover books, room and board, or any tuition gaps if, for example, the College Illinois! plan is used at a school outside the beneficiary's plan or at a private or out-of-state school.

Colleges generally begin sending out financial aid award letters in the spring. If your student will be heading off to college for the first time next fall and

applied for financial aid by filing the Free Application for Federal Student Aid (FAFSA®), it can be helpful to compare financial aid awards in order to make informed decisions about which college to attend. ISAC's online, interactive financial aid award letter comparison tool provides an easy way to get as much of an apples-to-apples comparison as possible. Check it out at [www.studentportal.isac.org/FinAid](http://www.studentportal.isac.org/FinAid)

Remember, if your student gets grants and/or scholarships and has unused College Illinois! benefits upon graduation, these benefits can be transferred to another family member, used towards graduate school, or refunded.

### Text with an ISAC Expert about College Planning, Financial Aid

Questions about the college planning process? Get answers from ISAC college and career planning experts through its free text messaging service, **ISAC College Q&A**. It is easy to sign up — simply text your first and last name to the area code that is closest to yours. Students and parents can participate.

 **ISAC College Q&A**

**217-207-3265**

**309-306-7066**

**618-223-6450**

**630-216-4910**

**708-252-3890**

**773-453-9520**

**815-242-4630**

**847-243-6470**



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For general questions and more information about the Program, please email us at [ISAC.529info@illinois.gov](mailto:ISAC.529info@illinois.gov)

For questions about an existing 529 prepaid account, please email us at [ISAC.529help@illinois.gov](mailto:ISAC.529help@illinois.gov)