



Protecting Your Money, Fighting for You

## Illinois Funds Receives Top Rating

I have more good news to share with you.

Once again, our local investment pool has received a top rating from an independent credit agency. Our team has earned this distinction each year I have been the Illinois State Treasurer.

Fitch, one of the rating agencies, assigned the top AAA rating to [The Illinois Funds](#), an investment pool run by my office. It is for units of local government such as cities, library districts, and community colleges. The Illinois Funds rating mirrors the investment confidence already shown by Morningstar for the Bright Start college savings program.

"The fund maintains a high credit quality portfolio by investing exclusively in short-term securities rated at least 'F1' by Fitch or the equivalent," [Fitch wrote](#). "The key rating drivers for the affirmations are: The fund's overall credit quality and diversification, low exposure to interest rate and spread risks, holdings of daily and weekly liquid assets consistent with shareholder profiles, asset maturity profiles meeting Fitch's rating criteria, and the capabilities and resources of the investment advisor."

Established in 1975, more than 1,500 units of local government have invested in The Illinois Funds because it is a safe, liquid, and competitive investment.

The \$15 billion pool invests in assets focused on safety, preservation of principal, liquidity, and income. The investment can be as short as overnight. No minimum investment is required.

U.S. Bank is the pool's primary service provider and custodian. The fund officially is named the Illinois Public Treasurer's Investment Pool (IPTIP). Money in the fund cannot be used for any other state purpose.

Fitch's rating complements Morningstar's confidence in Bright Start.

Each year, Morningstar independently evaluates college savings plans. Bright Start has earned a Gold rating each year since our team revamped the plan in 2017. Most recently, Morningstar applauded Bright Start as a "top notch plan" that "set the curve for their peers, offering exceptional investments while emulating savvy stewardship." The Gold rating is the firm's highest rating; only two other college savings plans earned the distinction last year.

Fitch is the latest example of an outside firm pointing out that we're doing things right. That's what happens when we all pull together.

Sincerely,

**Michael W. Frerichs**

Illinois State Treasurer

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Paying for College

### How to Use Bright Start Funds

It's an exciting time for high school seniors and their parents. Students have walked the stage at graduation and chosen a college after months of deliberation.

The university soon will ask for the first tuition payment to cover the fall semester and it is finally time to make a withdrawal from your Bright Start 529 college savings plan.

Whether you [log in](#) to your account, go the paper route and [fill out a form](#) or call (877) 432-7444 to speak with an expert, there are a few key steps:

If you're using the Bright Start website, log in with your username and password and click "transact online" in the upper left corner, then click "withdrawal."

The money can go toward tuition, fees, books, supplies, and equipment such as a computer or software if it is to be primarily used for school. Your Bright Start 529 money also can cover room and board if your student is enrolled at least half-time.

The next step: You can make a partial or full withdrawal, or a full withdrawal and close your account. If your young adult is just starting school, you'll want to choose "partial" withdrawal and fill in the dollar amount to let Bright Start know how much money you want to take out. You also will be asked to select the "withdrawal amount type." You get to pick the dollar amount you want to withdraw from each of your portfolio funds, or you can pick a percentage to be withdrawn from each of the types of funds your 529 account is invested in.

You can choose to have the funds electronically sent to your bank account or the university, or request a check be mailed to your home. Some schools require electronic payments to the institution. (If you have not already entered the school into your Bright Start account, you will have to add it. You will need your young adult's student ID number, which the university can provide.)

The final step to receive the money is to authorize and sign the withdrawal. For most parents, an electronic signature or handwritten (if you're mailing in the form) signature will suffice. There are three scenarios where you will have to visit a qualified financial institution such as a bank to have your signature confirmed on-site for enhanced security: If you have changed your address within 15 days of the withdrawal request, do not already have your bank account information on file with Bright Start, or are asking to take out more than \$50,000.

**It is best to plan ahead.** Please allow several days for your bank to process an electronic transfer to your account (or directly to a university or college) and 7-10 days if you want a check to be mailed. More details on withdrawing money are available on the [Bright Start website](#). If you need help, you can call (877) 432-7444 or check out the [Bright Start help page](#).

If you're filling out the paper Bright Start [withdrawal form](#), the steps to take are similar to doing it online. You'll need your account information and will be checking boxes instead of clicking on a website, and you'll be signing the form with a pen instead of electronically.

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 expenses.

Since 2015, Frerichs has worked with program manager Union Bank & Trust to reduce fees and ensure more investment dollars go directly to college savings. These changes have helped the Illinois 529 College Savings Pool to grow by more than double from \$7 billion to \$16 billion in assets with more than 800,000 accounts.



Your Money

### Doing Business in Illinois

A key goal in the Illinois State Treasurer's Office is to do business with Illinois firms.

On the investment front, this includes brokerage firms, securities dealers, asset managers, bank, investment consultants, and other financial institutions.

Too often, however, institutions do not know how to approach the treasurer's office for potential work. The first step is to contact the office to submit a Capabilities Questionnaire. This provides the office with a resource to be proactive in identifying business opportunities with Illinois-based firms.

More information is available [here](#).

The treasurer's office uses outside firms for various investment services, including broker/dealer services, investment management services, and banking services.

We especially look for MWVD partners. These are firms led by minorities, women, veterans, or persons with a disability.

In 2014, the office used MWVD firms to invest \$603 million. By recruiting other firms to apply, we now invest \$40 billion through MWVD firms. That's 66-fold increase.

Investing in Illinois is a priority for the state treasurer's office.



Working for You

### IL ABLE and Special Olympics Illinois

The IL ABLE team just returned from attending the Special Olympics Illinois Summer Games where it raised awareness of IL ABLE accounts while cheering 4,000 competitive Special Olympics Illinois athletes from across the state, including IL ABLE Account Owners Zach and KC.

The Illinois "Achieving a Better Life Experience" or IL ABLE program offers savings and investment accounts that make it possible for people with disabilities and their families to save and invest their money for expenses related to living with a disability. IL ABLE accounts can help solve a long-time predicament that many people with disabilities face: how to build financial wellness without risking federal government benefits.

For individuals with disabilities, such as Zach and KC, the positive impact of being able to save money extends far beyond the dollar amount of their savings. Their IL ABLE accounts help them build a sense of accomplishment and independence. Read more about how Zach and KC, along with their mom, Micki use their IL ABLE accounts as an important financial resource to achieve a better life experience. [Read their story here](#).

Learn more about IL ABLE at [illinoisable.com](#).

### Did You Know?

Did you know that some life insurance companies chose not to pay death benefits when their loyal customer died?

That's just wrong, and Illinois State Treasurer Michael Frerichs stepped in to fix it.

Despite strong opposition, including a lawsuit by one national insurance company, Frerichs convinced lawmakers to change state laws to require insurers to search their records and contact beneficiaries so they can claim their benefits. Unpaid life insurance benefits are part of the duties of the state treasurer's office because they are considered unclaimed property if not claimed by the beneficiaries.

As a result, more than \$800 million in unpaid life insurance benefits have been paid either directly from the insurance company or turned over to the unclaimed property program.

Do you have unclaimed property? Search [here](#) to find out.

If you would like to contact the Office of the Illinois State Treasurer, please visit our [contact us](#) page.

To modify your e-mail options or opt out of receiving the Office of the Illinois State Treasurer's electronic communications, please [click here](#).

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