

The Illinois Student Assistance Commission administers the College Illinois![®] Prepaid Tuition Program, the state's only tax-advantaged plan that secures future semesters of college tuition at rates set in the present. Any parent, grandparent, family member, friend or community organization can purchase or contribute to a plan as long as they or the beneficiary has lived in Illinois for 12 months prior to the date of application. Contract prices are based on the age or grade level of the beneficiary, and the type of plan selected. ISAC offers a three-tiered plan system that allows the purchaser to select plans with prices based on the tuition and mandatory fees at three higher education settings. Multiple semesters are available from one to nine semesters, depending on the plan chosen. If the beneficiary enrolls at an Illinois public university or community college covered by their plan choice, 100 percent of their in-state or in-district tuition and mandatory fees will be paid. Contract benefits also can be used at eligible institutions of higher learning anywhere in the United States. Contracts can be purchased year round by lump sum payment or by installments. Earnings are exempt from federal and Illinois income taxes and there is a state income tax deduction of up to \$20,000. If the designated beneficiary decides not to attend college, the contract can be transferred to another family member, or the purchaser can request a refund, with interest, minus a nominal cancellation fee. Table 6.0 provides information on program enrollment and payout.

PART SIX -- *COLLEGE ILLINOIS!*[®] PREPAID TUITION PROGRAM