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GET SMART ABOUT COLLEGE PLANNING DURING MONEY SMART WEEK®

College Illinois!® 529 Prepaid Tuition Program offers tips to plan for--and afford--the cost of college

CHICAGO— It's tax time, and we've all got money on the mind. While completing our taxes might not be the most enjoyable task, it offers an opportunity to assess and set our priorities, and get a realistic look at how much we can save and invest. Many of us would like to make saving for college a priority, but the rising cost of tuition can make it seem impossible. As we enter national Money Smart Week® (April 18-25th), the College Illinois!® 529 Prepaid Tuition Program is offering some tips to help make college a reality for Illinois families.

"Families can get started in addressing the cost of college for less than they think," said Sandra Houston, director of College Illinois!. "The point is to *get started*—just making a long term plan and implementing it with whatever you can afford makes it a priority in your life and sends an important message to your children or grandchildren about the value of education. Especially around this time of year, if you are getting a tax refund, consider putting some of it towards the cost of college."

The state's only 529 prepaid tuition program, College Illinois! offers families a way to "freeze" the cost of tuition by prepaying for future college tuition at today's contract rates. With pricing on all contracts reduced during the 2014-15 enrollment period, some by as much as 29%, families can start planning for their child's future for as little as \$21 a month.

Houston has some additional tips for getting started on planning for the cost of college:

- **Understand your options.** Information is power, so read up on the various financial vehicles you can use to help pay for college. Both 529 prepaid tuition and savings plans offer great options, and they can be used together. Evaluating your needs in light of what these plans offer can help you decide what's right for you. If you feel comfortable with investing and with the risks related to future tuition growth, you may be interested in savings-type plans. If you aren't comfortable with fluctuations in the investment markets, or are concerned about future tuition rates, you might be more interested in a prepaid plan like College Illinois!.
- **Look for flexibility,** both in how you save or pay and how you can use benefits. College Illinois!, for example, allows you to purchase as little as one or up to nine semesters of college, and offers both lump sum and installment payment options. And College Illinois! tuition benefits can be used at almost any college or university in the country.
- **Consider tax benefits.** Both Illinois 529 plans offer significant tax benefits. Earnings on contributions are exempt on the federal and state level as long as they are used for qualified

educational expenses, and Illinois residents get an annual tax deduction: up to \$10,000 for individuals or up to \$20,000 for those filing jointly.

- **Start early.** Getting into the habit of putting money away for college is an important first step. Of course, starting early also gives you more time for a savings plan to grow, or to pay for a prepaid contract over time. College Illinois! prepaid tuition contracts are specifically aligned to the age of the child at time of purchase—the younger the child, the more you save on the purchase of a contract. Depending on when you start and what contract you purchase, you could have your child's college tuition paid for while they are still in grade school!

The more you know about managing your money, the easier it will be to plan for college. Visit moneysmartweek.org for a host of resources and events in your area. And check out www.collegeillinois.org to see where College Illinois! will be presenting during Money Smart Week, or to learn more about the program.

About College Illinois!

Since its inception in 1998, College Illinois! has been focused on providing an affordable option to help make college a reality for Illinois families. Administered by the Illinois Student Assistance Commission, the state's 529 prepaid tuition program offers a unique set of benefits, including tuition inflation protection, flexibility, and significant tax benefits. Program assets, which are held in the Illinois Prepaid Tuition Trust Fund and kept separate from all public moneys and State funds, are professionally managed by an experienced team led by a Chief Investment Officer and established third party asset managers. More information on plan options and benefits, as well as a complete description of terms and conditions of, and risks associated with the purchase of a contract, is available at www.collegeillinois.org.

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