

[www.brightstartsavings.com](http://www.brightstartsavings.com)

**Bright Start<sup>SM</sup>**

**Bright  Start<sup>SM</sup>**

A Smart Way to Save for College



The rewards of a college education are great. Unfortunately, so are the costs. But what if there were a better way to save?


With Bright Start, you can choose from a number of easy-to-understand investment options that match your own profile. Perhaps best of all, it offers tax advantages that can help your savings grow.

By planning ahead, families can break the cycle of educational debt that can financially burden both students and their parents. Bright Start may be the investment program you've been searching for.

A handwritten signature in black ink that reads "Judy Baar Topinka". The signature is fluid and cursive.

Judy Baar Topinka  
Illinois State Treasurer

A participant's investment in Bright Start is not insured by the Federal Deposit Insurance Corporation or any other government agency; is not a deposit or other obligation of Citigroup Inc. or any depository institution; is not guaranteed by Citigroup or any depository institution, the State of Illinois or Salomon Smith Barney Inc.; and is subject to investment risks, including the loss of the principal amount invested. As described in the Program Disclosure Statement, certain of the investment portfolios under Bright Start will invest a portion of their assets in bank deposits that are insured by the Federal Deposit Insurance Corporation or fully collateralized. Please see the Program Disclosure Statement for more complete information on these issues as well as fees, expenses and risks associated with investments in the Program.



Preparing children for the future is one of the most important responsibilities a parent has. And giving them the gift of college is one of the most meaningful ways you can help. But planning for college expenses can seem overwhelming. The price is high, and growing, and the choice of savings options can be confusing. But now there's a better way.

## **Bright Start: A better way to save for college.**

Bright Start<sup>SM</sup> gives parents, grandparents and friends of a child a better way to save for college. The program has been designed as a qualified state tuition program under Section 529 of the Internal Revenue Code. Through Bright Start, you can choose from several investment options—each designed to help you meet the rising costs of college. Earnings on your investment can grow at a faster rate than would a comparable taxable account because they are federally tax-deferred. When the child reaches college, your investment can be used to pay for a wide range of expenses at eligible schools nationwide. At that time, earnings on qualified withdrawals will be taxed at the student's federal income tax rate.

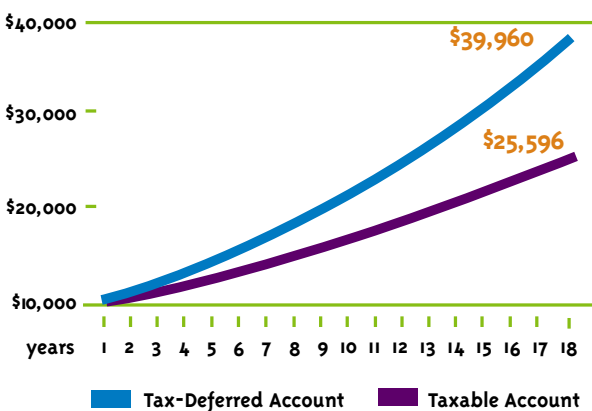


## The Benefits of Bright Start

### I Tax Advantages Help Your Savings Grow Faster

- Earnings on contributions are deferred from federal taxes and earnings on qualified withdrawals are taxed at the student's federal income tax rate.<sup>1</sup>
- Earnings on qualified withdrawals are free from Illinois State income taxes.
- You can invest as much as \$50,000 (\$100,000 for married couples) per beneficiary in one year without incurring gift taxes under a special provision for Section 529 plans.<sup>2</sup>

### The Tax-Deferred Advantage\*



\*This hypothetical example is for illustrative purposes only and is not meant to represent the return of any specific investment. The example assumes a one-time, lump-sum investment of \$10,000 and an 8% annual rate of return. The tax-deferred account assumes tax-deferred growth at both the federal and state levels. The accumulated amount in the tax-deferred account will be subject to taxation upon withdrawal. The taxable account assumes that taxes are paid on earnings each year at a rate of 33%.

<sup>1</sup>Salomon Smith Barney does not provide tax or legal advice. Please consult with your tax or legal advisor for such guidance.

<sup>2</sup>Contributions between \$10,000 and \$50,000 made in one year can be prorated over a five-year period without incurring gift taxes or reducing your unified estate and gift tax credit. If you contribute less than the \$50,000 maximum, additional contributions can be made without incurring gift taxes, up to a prorated level of \$10,000 per year. Gift taxation may result if a contribution exceeds the available annual gift tax exclusion amount remaining for a given beneficiary in the year of contribution.

## 2 Bright Start Offers Flexible Options

- Anyone can open an account, regardless of income level, and anyone can become a beneficiary, regardless of age. You don't have to be a resident of Illinois to participate in Bright Start.
- When your beneficiary reaches college, withdrawals from your account can be used to pay for tuition, room and board, books and required supplies at any eligible school in the U.S., including public and private colleges, universities and graduate schools, as well as community colleges and most vocational schools.
- You can open an account for as little as \$25. Subsequent contributions can be as little as \$15, and can be made as often or as seldom as you wish.
- You can change the beneficiary of your account at any time, provided that your new beneficiary is a family member of the original beneficiary.

## 3 Investing in Bright Start Is Easy and Convenient

Bright Start offers all these advantages in a comprehensive program that is easy to use. Once you open your account, it essentially takes care of itself. No need to worry about asset allocation decisions—it's all done for you according to the investment option you select upon opening the account.

**Start Saving Today**  
**Call 1-877-43-BRIGHT**  
**Visit [brightstartsavings.com](http://brightstartsavings.com)**

TRUSTEE AND ADMINISTRATOR



**JUDY BAAR TOPINKA**

ILLINOIS STATE TREASURER

INVESTMENT MANAGER

**SALOMON SMITH BARNEY**

A member of **citigroup**

Bright Start is a service mark of the State of Illinois Treasurer's Office.

Salomon Smith Barney is a registered service mark of Salomon Smith Barney Inc.

© 2001 State of Illinois Treasurer's Office

Member NASD, SIPC

CIP2001 3/01 70330