

1. **Question:** What is GET?

Answer: GET is Washington State's 529 prepaid college tuition program. It is governed by federal IRS rules and Washington State law ([RCW 28B.95](#)). With GET, you save money by prepaying part or all of your child's college tuition costs now, to avoid paying higher costs in the future. The State of Washington guarantees that the value of a GET account will keep pace with the rising cost of resident undergraduate tuition and state-mandated fees at the most expensive public university in Washington, either the University of Washington or Washington State University. GET units can be used nationwide at practically any public or private college, university or vocational school, and the monetary value remains the same.

2. **Question:** What does the state of Washington guarantee?

Answer: The state guarantees that 100 units purchased today will be worth the actual cost of one academic year of resident undergraduate tuition and state-mandated fees at the most expensive Washington public university when a child enrolls in college, regardless of how much tuition has increased over time. Participants can buy any amount from 1 to 500 units per student, and each unit will be worth 1/100th of that cost. This is called the *payout value* of a unit and it is determined annually. The monetary value remains the same whether units are used to pay costs at a Washington public college or at a private or out-of-state college.

The state guarantee is backed by the full faith and credit of the state of Washington. That means if future tuition increases ever require the program to pay out more money than it has available, the Legislature would be required by state law to provide funding to cover the shortfall. Washington's GET Program is one of only a few state prepaid college tuition plans in the country with a guarantee in state law ([RCW 28B.95.050](#)).

3. **Question:** What is a 529 plan?

Answer: A state 529 plan is a college savings plan named for Section 529 of the Internal Revenue code that authorizes them. Under this code, participants contribute after-tax money; the money grows tax-free, and all withdrawals are tax-free when used for tuition, room and board, and other qualified higher education expenses.

There are two types of state 529 plans: college savings plans and prepaid tuition plans. The difference lies in who chooses the investments and who assumes the risks.

- *College savings plan.* Participants pick their own investments and shoulder all of the investment risk. The value of an account is based on the performance of the investments. When it's time for college, participants have whatever money is in their account.
- *Prepaid tuition plan (GET program).* Participants prepay for college tuition today for use in the future. The value of an account is guaranteed by the state to keep pace with resident undergraduate tuition and state-mandated fees at the most expensive Washington public university. The state picks the investments and assumes all the investment risks.

Most states now have either a 529 college savings plan or a 529 prepaid college tuition plan, or both. Washington's only 529 plan is called Guaranteed Education Tuition (GET), and it is a prepaid college tuition plan.

Accounts in both types of plans now receive favorable treatment for financial aid purposes by federal law. If the parent is the account owner, the account is considered an asset of the parent in determining a family's eligibility for federal financial aid. It is treated by the financial-aid formula at a much lower rate than student savings.

4. **Question:** Can GET accounts be used only at Washington colleges?

Answer: GET units can be used at nearly any public or private college, university, or vocational school in the United States and at selected colleges in other countries. A college is eligible if it participates in federal financial aid programs through the U.S. Department of Education. For a list of participating schools, visit the [Free Application for Federal Student Aid \(FAFSA\) website](#).

GET units may not be enough to cover the full cost of tuition and fees at private or out-of-state colleges. If a school costs more, participants pay the difference. If it costs less, GET units can cover other higher education costs, such as room and board, books, etc. Enrollment in the GET program does not guarantee that a student will pay in-state resident tuition or be admitted to any college.

5. **Question:** What is a unit? Is it the same as a credit hour?

Answer: GET units are not the same as credit hours at a college, university, or vocational school. Credit hours represent the academic value of a particular class. (For example, a student might earn 4 credit hours for completing English 101 at her college.) GET units are a financial measure and represent a way to pay for college. One hundred GET units are equal to the cost of an academic year of resident undergraduate tuition and state-mandated fees at the most expensive Washington public university. Each GET unit is equal to 1/100th of that amount, and 1 to 500 units can be purchased per child.

6. **Question:** Who can open a GET account?

Answer: GET accounts can be purchased by anyone, for anyone—a child, grandchild, niece or nephew, friend, or even oneself. The only requirement is that either the student beneficiary OR the account owner be a Washington resident at the time of enrollment. Children of military personnel who claim Washington as their home of record also are eligible to participate in GET. Participants must submit documentation of Washington residency at the time of enrollment.

7. **Question:** Who controls a GET account?

Answer: The account owner maintains total control of the GET account and is the only one who can request account changes, distributions, or a refund. The student beneficiary does not have any control over the account, unless the beneficiary is also the account owner.

8. **Question:** How is the GET unit price determined?

Answer: The GET unit purchase price is based on an actuarial formula that incorporates several factors, including estimated future tuition, projected inflation and investment returns, and administrative costs. It also includes a reserve to assist in periods of lower-than-expected investment returns or higher-than-expected tuition increases, and amortization of past losses. The GET Committee sets the unit price annually and may adjust it once annually.

9. **Question:** Why is the current GET unit price higher than the current GET unit payout value?

Answer: Because the state guarantees that money put into GET will keep pace with rising tuition, the program must ensure that sufficient funds are always available. The GET Committee's actuarial formula includes a premium over current tuition, including estimated future tuition, inflation, investment returns, administrative costs, and a reserve to assist in periods of lower-than-expected investment returns or higher-than-expected tuition increases. GET is a self-sustaining state program and receives no ongoing state appropriations.

10. **Question:** Can a GET account be used for graduate school?

Answer: Yes; however, if tuition for graduate school is higher than resident undergraduate tuition at the most expensive Washington public university, participants pay the difference.

11. **Question:** What education expenses will GET units cover?

Answer: GET units are designed to pay college tuition; however, if participants have surplus eligible units after paying tuition, those units can be used to pay for room and board, books, and other [qualified higher education expenses](#). Review [IRS Publication 970](#) for details.

Participants can use up to 125 eligible units per academic year and any unused units from a previous year. For example, if a student started with 250 units in his account and used 100 units in the first year, he could use 150 units in the second year (25 leftover units + 125 units = 150 units).

Units used for room and board can pay up to the total room and board allowance calculated by the college in its Cost of Attendance budget.

12. **Question:** What are the distributions for student enrollment?

Answer: There have been 35,721 GET accounts used for students attending colleges and universities in all 50 states and 14 foreign countries. Since the program's inception, \$560 million has been distributed on behalf of GET student beneficiaries, either directly to colleges and universities or as reimbursements for qualified expenses.

Distribution of GET Students by School	
Out-of-State Public & Private	23.0%
University of Washington	22.0%
Community/Technical Colleges	13.7%
Washington State University	12.7%
Western Washington University	11.2%
In-State Private	9.5%
Central Washington University	4.0%
Eastern Washington University	2.6%
The Evergreen State College	1.3%

13. **Question:** Where are GET dollars invested?

Answer: Washington's GET trust fund is managed by the Washington State Investment Board (WSIB). Valued at over \$2.65 billion (as of June 30, 2014), GET funds managed by WSIB are invested in a diversified portfolio of federal bonds as well as U.S. and international indexed equity funds. The WSIB's current asset allocation model has approximately 40% in fixed income bonds and 60% in a global equity fund that consists of both international and U.S. equity indexed funds. For cash flow and expenses, a small amount is also kept in cash. This strategy provides for the greatest amount of diversification at both low risk and low cost. Administrative costs are kept as low as possible and unit prices include an amount to maintain a reserve fund. Proposed tuition increases are monitored closely, as are events related to other plans across the country.

14. **Question:** What is the program's funded status?

Answer: Annually, the Washington State Actuary conducts a valuation of GET that assesses the program's financial health. The most recent actuarial valuation, as of June 30, 2014, yielded positive news about the program's funded status. The funded status reflects the amount of money the program would need in order to cover all current contracts as they come due in the future, compared to the assets on hand. The 2014 report indicated that the program is now 106% funded and is expected to meet all of its obligations for current enrollees. Further, the program received an A rating for financial solvency. This is encouraging news, and can be attributed in part to higher-than-expected investment returns and lower-than-anticipated tuition growth.

15. **Question:** How many people are enrolled in GET?

Answer: GET has approximately 160,000 account owners. The number of new accounts in the 2013-14 enrollment year reached more than 5,400.

Washington's GET Program has grown steadily since it began in 1998. The typical account owner is still the parent (80%), but in 2013-14, non-parent relatives opened 15% of new accounts. The average age of a student beneficiary at the time of enrollment was at its youngest point (5.8 years) in the program's history this past enrollment period. Demographics show that 68% of account owners have obtained a bachelor's, graduate, or doctoral degree; another 14% have an associate degree, certificate, or partial college background.