



2013 Annual Report

October 1, 2012 through
 September 30, 2013

Mission

GET serves Washington families by offering a safe and secure way to save for college.



2013 Highlights*

- 152,126** Total number of GET accounts opened since the program began
- 6.7 million** Total number of Custom Monthly units purchased
- 22.0 million** Total number of Lump Sum units purchased
- \$2.1 billion** Total amount of contract-related payments received
- 33,108** Total number of student accounts that have been used to attend college
- 7,780** New accounts opened in the 2012-13 enrollment year
- 1,054,979** New units purchased in the 2012-13 enrollment year

* As of September 30, 2013 unless otherwise noted. The enrollment year dates were November 1, 2012– May 31, 2013 with newborn enrollments accepted year-round.

Message from the Director



As we kick off our 16th enrollment year, I'm inspired by what we've accomplished and excited for the opportunities that are ahead for the GET Program, our customers and Washington families still looking to start their college savings. We continue to be the second-largest, fastest-growing prepaid tuition plan in the nation and, as of the end of the 2012-13 enrollment period, have over 152,000 accounts and a trust fund of \$2.37 billion. I'm especially excited to see our GET families' savings efforts come full circle, as more and more begin sending their children off to college. Already, GET has paid out nearly half a billion dollars from over 33,000 accounts on behalf of students attending colleges, universities and technical schools in all fifty states and 14 foreign countries. Washington families clearly believe in the GET program and are committed to making higher education a reality for their children.

The 2012-13 enrollment period was one of both trials and triumphs. GET was again discussed in the 2013 legislative session, as lawmakers continued to wrestle with the challenge of funding higher education in our state. Early in the session the idea of making adjustments to GET was suggested to the legislature, citing concern about future state liability and consideration for differential tuition at our universities. The good news is that after many thoughtful discussions led by the State Treasurer and State Actuary, it was clear that GET is a valuable asset that plays a vital role in making postsecondary education attainable for thousands of Washington families. As the session progressed, I was inspired by testimonies from lawmakers, state government leaders and GET customers, who reinforced the program's benefits and importance to our state's higher education system.

After a long session, followed by two special sessions, we witnessed an unprecedented development for higher education in our state. For the first time since 1986, tuition did not increase at our state's universities for the 2013-14 academic year. This is a huge reprieve for Washington families who experienced double-digit tuition growth over the four prior academic years. The flat tuition growth had another positive impact – for the first time in GET's history the unit purchase price did not increase. This unprecedented turn of events provides Washington families looking to start their college savings, and existing GET participants who want to boost their accounts the opportunity to add units at the same price as last year.

I anticipate another great year for GET, as investment returns are up and support for the program continues to be strong. We're thankful that Washington families continue to choose GET and value the peace of mind provided by our unique state guarantee. In closing, I'd like to encourage you to share the importance of saving for college with friends and family. Remember that the key is to start as early as possible, keep adding to your account and inspire your children or grandchildren to succeed by letting them know you're saving for their future.

Betty Lochner

Director, GET Program

National Chair, College Savings Plans Network (CSPN)

Enhanced marketing and outreach efforts

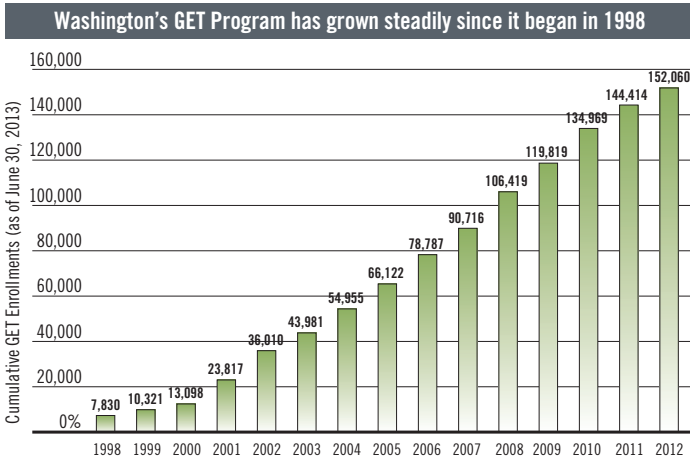
The "Your children are growing fast. College tuition is growing faster." campaign continued one more year for the 2012-13 enrollment period. TV, radio and print advertising remain the core communication channels for the GET Program; however, web advertising and social media efforts continue to expand in order to stay connected with young parents. New for the enrollment period was a direct mail campaign to remind current customers of the importance of continuing their savings efforts as their children grow – an effort that yielded a significant increase in account contributions. Expanded outreach efforts included attending over 75 community events and tradeshows statewide. In addition, GET staff led dozens of college savings presentations, while continuing to foster partnerships with educational and parenting

organizations. Keep an eye out for the all new "Firsts steps" campaign and expanded social media presence for the 2013-14 enrollment period.



Enrollment growth

The number of new accounts in the 2012-2013 enrollment year reached 7,780. Washington's GET Program has grown steadily since it began in 1998.

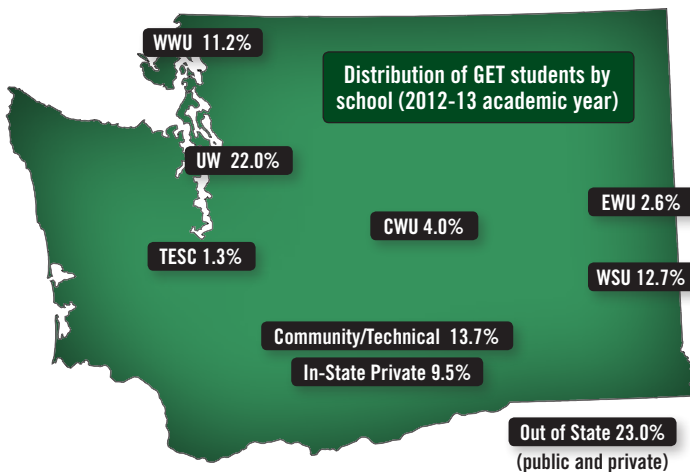


The typical account owner is still the parent (80%), but in 2012-13, non-parent relatives opened 15% of new accounts. The average age of a student beneficiary at the time of enrollment was younger this past year (6.7 years) than in all but one enrollment year in the program's history. Demographics show that 68% of account owners have obtained a bachelor's, graduate or doctoral degree; another 14% have an associate degree, certification or partial college background.

GET's website, www.get.wa.gov, remains the primary point of contact for both new and returning customers. The site had 207,781 unique visitors in the 2012-13 enrollment year, averaging 1321 visits per day. The percentage of new visits increased 7.8% over the previous year. In 2012-13, 92% enrolled in GET online, with just over 38% saying they heard about the program from a friend or relative.

Distributions for student enrollment

There have been 33,108 GET accounts used for students attending colleges and universities in all 50 states and 14 foreign countries. Since inception, \$478 million has been distributed on behalf of GET student beneficiaries, either directly to colleges and universities, or as reimbursements for qualified expenses.



Contributions in units purchased

During the 2012-13 enrollment year, 1,054,979 units were purchased, either in Lump Sum or through a Custom Monthly Plan. This translates to an average of 136 units purchased per new account. The average GET account currently holds less than 200 units. Between July 2012 and June 2013, GET initiated 231 incoming rollover transfers from other college savings plans.

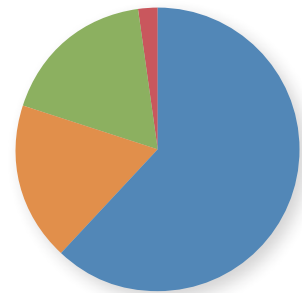
Asset management

Washington's GET trust fund is managed by the Washington State Investment Board (WSIB). Valued at over \$2.37 billion (as of September 30, 2013), the WSIB invests all GET funds in a diversified portfolio of federal bonds (Treasury Inflation-Protected Securities or TIPS) as well as US and international indexed equity funds.

Portfolio size, allocation and performance as of September 30, 2013

Cash	\$46,226,028
Treasury Inflation-Protected Securities (TIPS)	\$425,412,249
Fixed Income	\$429,394,319
Global Equity	\$1,470,026,751
Total	\$2,371,059,347

■ 1.95% Cash
■ 17.94% TIPS
■ 18.11% Fixed Income
■ 62.00% Global Equity



The WSIB's current asset allocation model has approximately 18% in federal bonds (TIPS), 18% in fixed income corporate bonds and 62% in a global equity fund which consists of both international and US equity indexed funds. For cash flow and expenses, a small amount is also kept in cash.

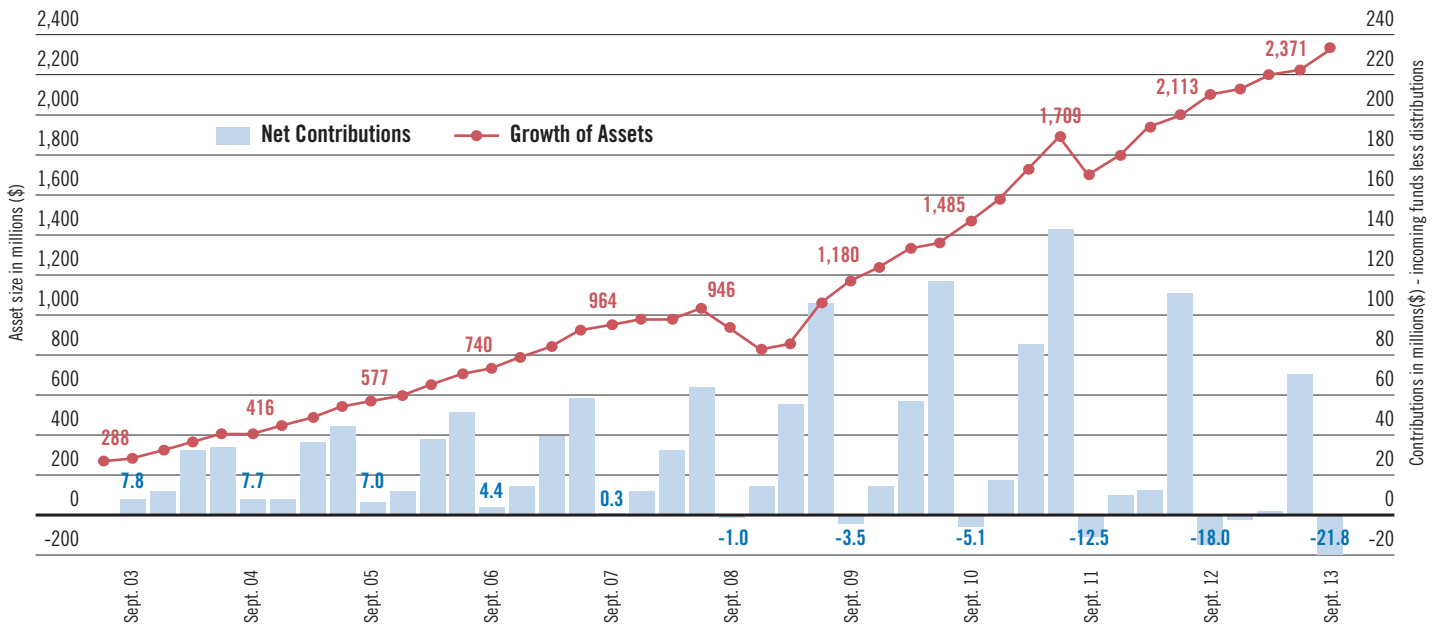
This strategy provides for the greatest amount of diversification at both low risk and low cost. Administrative costs are kept as low as possible and unit prices include an amount to maintain a reserve fund. Proposed tuition increases are monitored closely, as are events related to other plans across the country.

Quarterly investment reports for the GET trust fund may be viewed at <http://www.sib.wa.gov/financial/pdfs/getperformance.pdf>

Portfolio performance as of September 30, 2013

Investment Returns	1 year	5 year	10 year
TIPS	-6.79%	5.54%	5.58%
Fixed Income	-0.78%	NA	NA
Global Equity	19.20%	8.44%	7.92%
TOTAL	9.84%	7.66%	7.32%

Assets under management



Unit price and payout value decisions

The payout value for the 2013-14 academic year is \$117.82/unit. This matches the 2012-13 payout value, as for the first time since 1986 tuition did not increase at University of Washington or Washington State University. The payout value of each GET unit is always equal to 1/100th of the actual resident, undergraduate tuition and state-mandated fees at Washington's most expensive public university (typically UW or WSU). The cost to purchase a unit is higher than the current payout value because the state guarantees that money invested with GET will always keep pace with tuition whenever the student enters college. This is why families are encouraged to start saving as soon as possible to realize the maximum gain. Based on historical trends and the rising costs of operating institutions of higher education, tuition is still projected to be significantly higher in future years.

GET Unit Pricing	
Expected tuition cost	\$126.42
Operating expenses	\$5.45
Reserve	\$19.78
Amortization	\$20.82
TOTAL UNIT PRICE*	\$172.00

Setting a realistic, thoroughly researched unit price is critical to maintaining the financial stability of the GET Program. The GET Committee sets the unit price annually, based on a formula that takes into account many actuarial projections, including the expected cost of future tuition and program operating expenses. It also includes a reserve to adjust for periods of higher-than-expected tuition increases or lower-than-expected investment returns, plus an amortization of past losses. For the first time in program history, the GET unit price did not increase for the 2013-14 enrollment period. This can be attributed in part to the fact that tuition was held at Washington public universities, adjusting future tuition increase assumptions. Recent strong investment returns and an improving funded status also reinforced the decision to hold the unit price. The current unit price is \$172 per unit, which was adopted by the GET Committee in September 2013.

Program funded status update

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, 2013, 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 report indicated that the program is now over 94% funded and is on track to be fully funded by 2018. 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. It's important to remember that if funds were ever insufficient to cover all of the program's obligations, GET customers are protected by Washington State Law (RCW 28B.95.050).

GET Director to be chair of national College Savings Plans Network (CSPN)

GET Director, Betty Lochner has been elected chair of the national 529 plan information clearinghouse, known as the College Savings Plans Network. CSPN, an affiliate of the National Association of State Treasurers, is a non-profit organization recognized as the leading objective resource on 529 plans. The group is a collective of 529 plans administrators, state treasurers, and business leaders from across the nation. Lochner has been an active member of CSPN since 2000, has served on various committees, and was the CSPN Vice Chair from 2012-2013. In her expanded role, Lochner will lead the CSPN Executive Board and will act as the spokesperson for the organization. Her new appointment begins January 1, 2014 and is a valuable opportunity for national exposure for GET.



*Unit price is always rounded to the whole dollar amount.

Key Deadlines

Annually, the unit price is subject to change. We will alert Account Owners by email and post the new price on our website as soon as it is known, which will likely be after the June 30, 2014 unit purchase deadline. Please plan accordingly, and watch for the deadlines below.

Buying units

May 31 • Deadline to open a new account

Log in to your account, click on “Online Enrollment” and then “Open a New GET Account.” Or download an enrollment form from our website. We can also mail one to you upon request. To request an enrollment form, visit the “Request Materials” page on our website or call 1.800.955.2318.

Deadline to add a Custom Monthly Plan to your existing Lump Sum Plan

Download a Custom Monthly Plan Addition form from our website, or give us a call for more details.

June 30 • Deadline to buy more units before the price goes up

To add more Lump Sum units to any existing account, just make an electronic payment or mail us a check or money order with your payment coupon. To buy units at the current price of \$172, we must receive your payment by June 30. If we receive your payment after June 30, you'll pay the unit price in effect for the next enrollment period.

Using units

Early 2014

If your student is expected to attend college in the 2014-15 academic year, we encourage you to complete the Free Application for Federal Student Aid (FAFSA) as soon as possible to be eligible for the most aid. For information on completing the FAFSA, you can visit www.fafsa.ed.gov.

August 1

Beginning August 1, you can log in to your account and click on “My Account,” then select the appropriate account number, then click “Use Units” to (1) make a payment directly to your student's school, or (2) request reimbursement for expenses you've already paid.



Please let us know right away if your address, phone number, email address or other account-related information changes so we can contact you if necessary. As always, your account safety is a top priority and we never share your personal information with anyone.



Save today. Secure tomorrow.

www.get.wa.gov

Telephone: 1.800.955.2318 (toll-free) • Email: GETInfo@wsac.wa.gov

GET Committee

The Committee on Advanced Tuition Payment, commonly referred to as the GET Committee, governs the program. The GET Committee is responsible for setting policies and pricing, and monitoring investments.

- Gene Sharratt**, Chair, *Executive Director, Washington Student Achievement Council*
- James L. McIntire**, *State Treasurer*
- David Schumacher**, *Director, Office of Financial Management*
- Beth Stecher Berendt**, *Citizen Representative*
- Mooi Lien Wong**, *Citizen Representative*

GET Administration

The Washington Student Achievement Council administers the GET Program while the Washington State Investment Board oversees its investments.

- Betty Lochner**, *Director*
- Ryan Betz**, *Associate Director for Marketing and Communications*
- Betsy Hagen**, *Associate Director for Operations*
- Marc Webster**, *Senior Fiscal Policy Advisor*

Questions? Contact us.

Email: GETInfo@wsac.wa.gov • Phone: 1.800.955.2318 (toll-free) or 360.753.7803 (Olympia)
Weekdays from 8 am to 5 pm, excluding state holidays

Mailing Addresses:

For enrollment forms and payments only • GET Program, PO Box 84824, Seattle, WA 98124-6124
For correspondence • GET Program, PO Box 43450, Olympia, WA 98504-3450

Office Location:

In-person visits only – no mail delivery at this address (FedEx/UPS accepted) • 917 Lakeridge Way SW, Olympia, WA 98502



Washington State's
529 Prepaid College
Tuition Program

The Washington Student Achievement Council administers the GET Program while the Washington State Investment Board oversees its investments. The Committee on Advanced Tuition Payment, commonly referred to as the GET Committee, governs the program.

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