

## Washington 529 Plan Rollovers Report to the Governor and the Legislature November 2024

### Introduction

The Committee on Advanced Tuition Payment and College Savings (Committee) operates two 529 plans: the Guaranteed Education Tuition (GET) program and the DreamAhead College Investment Plan (DreamAhead). GET and DreamAhead were established in statute ([Chapter 28B.95 RCW](#)) to encourage savings and enhance the ability of Washington residents to obtain financial access to postsecondary education.

Washington is one of 49 states, along with the District of Columbia, that offers one or more 529 plans to the public. These tax-advantaged savings vehicles provide tax-deferred growth and tax-free withdrawals when used for qualified higher education expenses such as tuition, fees, room and board, books, and supplies. Funds may also be used for specific K-12 tuition and apprenticeship program expenses. Alternatively, 529 plan participants may roll over funds to other 529 college savings plans, ABLE (529A) plans, or Roth IRA retirement accounts without tax implications.<sup>1</sup>

State law ([RCW 28B.95.045\(2\)](#)) requires the Committee to provide a yearly report to the Governor and the appropriate committees of the Legislature on:

- (a) the number of accounts that have been rolled into the Washington college savings program from out-of-state; and
- (b) the number of accounts rolled out of the Washington college savings program to 529 plans into other states.

This statutory requirement only applies to DreamAhead (known statutorily as the “Washington College Savings Program”). However, for additional context, this report provides rollover statistics for both GET and DreamAhead for Fiscal Year 2024 and includes additional rollover types such as those to the Washington State ABLE Savings Plan and Roth IRA accounts.

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<sup>1</sup>Tax and penalty-free rollovers from 529 plans to Roth IRA retirement accounts are subject to several limitations, including that the rollover must be to a Roth IRA retirement account for the 529 plan beneficiary and that the lifetime rollover limit per beneficiary is \$35,000. This new rollover option was enabled by the passage of Secure 2.0 federal legislation in 2023 and became effective January 2024.

## WA529 Plan Rollovers

Table 1 below summarizes the various types of rollovers in and out of DreamAhead and GET.

**TABLE 1: DreamAhead and GET Rollovers – State Fiscal Year 2024**

<b>Rollover Type</b>	<b># of Accounts</b>	<b>% of Accounts</b>
<b>DreamAhead</b>		
<b>Incoming Rollovers</b>		
From out-of-State 529 plans	33	0.1%
From GET	68	0.1%
<b>Outgoing Rollovers</b>		
To out-of-State 529 plans	271	1.0%
To out-of-State ABLE plans	2	<0.1%
To GET	8	<0.1%
To WA ABLE	5	<0.1%
To Roth IRA	35	0.1%
<b>Net DreamAhead Rollovers</b>	<b>-220</b>	<b>-0.8%</b>
<b>GET</b>		
<b>Incoming Rollovers</b>		
From out-of-State 529 plans	26	<0.1%
From DreamAhead	8	<0.1%
<b>Outgoing Rollovers</b>		
To out-of-State 529 plans	138	0.2%
To out-of-State ABLE plans	0	0.0%
To DreamAhead	68	0.1%
To WA ABLE	4	<0.1%
To Roth IRA	32	<0.1%
<b>Net GET Rollovers</b>	<b>-208</b>	<b>-0.3%</b>

## Additional Notes

- It is important to consider total rollover activity each year in the context of total accounts in each program. As of June 30, 2024, there were 66,103 funded GET accounts and 26,167 funded DreamAhead accounts.
  - For Fiscal Year 2024, DreamAhead had 220 net rollovers out (rollovers out less rollovers in), which translates to eight-tenths of one percent (0.8%) of all funded DreamAhead accounts.
  - For Fiscal Year 2024, GET had 208 net rollovers out, which translates to three-tenths of one percent (0.3%) of all funded GET accounts.
- Additional details about the rollovers, such as asset value or names of out-of-State plans, are available upon request to WA529 Director Lucas Minor at [lucasm@wsac.wa.gov](mailto:lucasm@wsac.wa.gov).