January 15, 2013

Customer Q & A

The start of the 2013 legislative session has prompted new discussions about GET. As customers call us with questions, we want to affirm the fact that GET is open for enrollment and remains a safe and effective way to save for college. This year, **enrollment is open through May 31, 2013**.

Is my GET account safe?

Your GET account is safe and secure, with its guarantee specified in state law. In fact, GET is one of only 4 prepaid tuition plans in the country to offer this state-backed guarantee. Any changes under discussion would not affect current accounts, including all who enroll during this enrollment year.

Why is GET being discussed?

The issue of funding higher education rests with the Legislature and GET is but one of several items in the ongoing discussion. As budgets are strained, lawmakers have a challenging task ahead of them. Expect to hear more about tuition increases, differential tuition and how these factors could affect the GET program. It's important to remember that all current GET customers are legally protected by the contract that is in place when they enroll. The guarantee that current GET account owners will receive a payout value based on the highest residential undergraduate tuition will not change.

Could the GET program close?

Some lawmakers have suggested closing the GET program to new enrollments, to reduce future state liability. It's sometimes misunderstood that **GET receives no ongoing support from the state and there would be no benefit to the current budget by closing the program.** GET is a self-sustaining program, entirely funded by GET participants**.** The only reason the state would ever need to contribute funds to GET would be if the program were unable to pay for student tuition at the time participants enroll in college. The $2.1 billion GET fund is sufficient to pay tuition for many years into the future. Students will use their accounts over the next twenty or more years, so the program has time to weather economic challenges.

Is GET "underfunded?"

Some comments have reflected a concern about GET's unfunded liability. Any reference to GET's funded status represents a situation in which all students in the program would be redeeming their units now, all at the same time. In reality, 27% of GET accounts have been opened for babies or preschoolers and, according to the State Actuary, the program has only a 1% chance in 50 years of ever needing state assistance, as long as the program continues its current enrollment plan. The last annual valuation was June 30, 2012 and variables have changed since then. Efforts to restore a higher funding status in the future are successfully underway.

What about a "GET 2?"

A different version of GET was thoroughly evaluated a couple of years ago, which confirmed that a new program based on a lower payout value would do nothing to relieve the state's commitment to the over 120,000 current GET account owners. It could lessen the state's liability moving forward, for new customers of a new program in future years. The idea of a GET 2 may surface again over the coming months. However, all current GET account owners are guaranteed by state law to receive the benefits of the contract that is in place at the time they enroll.

What about differential tuition?

Discussions are continuing about how to fund higher education. Differential tuition is one option on the table that would definitely affect the payout value of GET. Although our top universities have indicated they are not ready to pursue differential tuition at this time, it may continue to be considered along with other options. In any case, the guarantee that current GET account owners will receive a payout value based on the highest residential undergraduate tuition will not change.

How can I stay informed on these issues?

As always, we encourage citizens to know and communicate with their Legislators. You can follow individual bills and find contact information for your representatives at www.leg.wa.gov . The GET Legislative Advisory Committee meets periodically to review the program. The Olympia station TVW televises many hearings and committee meetings that you may find helpful. We try to keep customers informed of important meetings under NEWS on our Web site's home page.

Remember:

- With GET you're buying the future value of tuition (up to many years in the future) at a discounted cost today. If you begin saving with GET before your kids or grandkids reach middle school (the earlier the better), you will save substantially on future tuition costs and benefit from the security of the guarantee, with no worries about the ups and downs of the stock market.

- Your GET account is part of the GET trust fund, which is currently valued at over $2.1 billion and is managed by the Washington State Investment Board. Your account is guaranteed by the state to continue to increase year after year at the same pace as tuition increases at UW/WSU.

- We're anticipating another strong year of helping Washington families save for college. Enrollment is open through May 31, so let your friends and family know. If your account is open, you may continue to add money to it at the current unit price ($172) through July 1. The unit price will increase July 2, 2013.

Questions? Contact Customer Service at 800.955.2318 or GETInfo@wsac.wa.gov

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