



January 3, 2013

Customer Q & A

Recent media coverage prompts customers to call us with questions about GET. We would like 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. GET works exceptionally well for families with children or grandchildren who are young, where the time horizon for saving is longer. The following points are also offered for clarification:

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.

What do you project for the GET program now that the state is talking about changes?

The issue of funding higher education rests with the Legislature and GET is but one of several items in the ongoing discussion. Expect to hear more about this and for tuition increases to continue. Universities are also looking for ways to increase access to high-demand majors. As budgets are strained, lawmakers have a challenging task ahead of them. However, there is no doubt that GET is a valued program and all efforts will be made to keep the program strong and continuously available to help families save. In any scenario, all current GET customers are legally protected by the contract that is in place when they enroll.

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. Efforts to restore a higher funding status in the future are successfully underway. GET is a self-funded program and is not dependent upon the state budget for its ongoing operations.

What about a “GET 2?”

A different version of GET was thoroughly evaluated a couple of years ago, which confirmed that a new program 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 concept of a GET 2 may surface again over the coming months. However, all current GET account owners are guaranteed by 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 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.

Does a portion of each unit price go toward a shortfall?

Part of GET's unit price has always included an amount to balance the fund against any lower-than-expected investment returns or higher-than-expected tuition increases. An additional amount is included in the price of new units to amortize recovery from the recent unexpected spikes in tuition. GET's premium assures stability for the program; the tax-free long-term gains and steady increases in value are what set GET apart from other savings options. They support Washington's 529 prepaid tuition plan as a solid foundation for college savings.

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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