



Program Details

JULY 1, 2015- JUNE 30, 2016



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.

GET COMMITTEE MEMBERS

Gene Sharratt, Chair

Executive Director, Washington Student Achievement Council

James L. McIntire

State Treasurer

David Schumacher

Director, Office of Financial Management

Elizabeth Stecher Berendt

Citizen

Mooi Lien Wong

Citizen

GET ADMINISTRATION

Betty Everitt Lochner

Director, Guaranteed Education Tuition Program

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1. Master Agreement

Carefully read this 2015-2016 Master Agreement, which explains the current rules in effect for the Program.

2015-2016 MASTER AGREEMENT SUPPLEMENT

I. ABOUT THIS AGREEMENT

This agreement describes the basic terms and conditions of your Guaranteed Education Tuition (“GET”) account.

This document constitutes the entire agreement between you and the Program and are called the “Agreement”. You should retain a copy of the Agreement, any updates to the Agreement and your Account statements for your records.

This Agreement is NOT a promise or a guarantee that:

(1) the Student Beneficiary will be admitted to any Eligible Institution of Higher Education; (2) the Student Beneficiary will be allowed to continue enrollment at any Eligible Institution of Higher Education after admission; (3) the Student Beneficiary will be graduated from any Eligible Institution of Higher Education; (4) the Student Beneficiary will be classified as a resident student by any State Institution of Higher Education; (5) the Student Beneficiary will receive any particular treatment under any applicable state or federal financial aid programs; and/or (6) the Student Beneficiary’s Tuition and Fees at any Eligible Institution of Higher Education will be covered in full for the number of years purchased under this Agreement unless the Student Beneficiary attends a State Institution of Higher Education that determines the Student Beneficiary to be a State resident and all of the terms and conditions of this Agreement are satisfied.

NOTICE: During the 2015 state legislative session, the Washington State Legislature passed the College Affordability Program, which lowers tuition at Washington’s public colleges and universities for the 2015-16 and 2016-17 academic years. Beginning in the 2017-18 academic year, annual tuition increases may be no more than the state’s average annual growth rate in median hourly wage. Accordingly, the GET Committee voted to implement several responsive policies to ensure Account Owners would not lose value in their Accounts, and could maintain flexibility with their Accounts moving forward. These responsive policies are highlighted in red in the relevant sections throughout this Master Agreement. Existing program policies that are impacted by these new responsive policies are provided for reference purposes in this Master Agreement, but are superseded by these responsive policies until the GET Committee votes to lift these responsive policies.

II. DEFINITIONS

The following Terms used in the Agreement and the Enrollment form for purchase of Tuition Units will have the meanings set forth below:

- A. “529 Plan” means a qualified tuition program within the meaning of Section 529 of the Code.
- B. “Academic Year” means the regular nine month, three quarter or two semester period annually occurring between August 1st and July 31st.
- C. “Account” means the record that contains the details of payments, fees paid and/or charged, Units purchased, Units distributed, Units refunded and remaining Units in connection with a particular designated Student under an Agreement.
- D. “Account Owner” or “Purchaser” means the Individual, Partnership, Corporation, Trust, Estate, Association, Organization, or Government entity who/that establishes an Account and has designated control of the Account. An Account Owner must have a valid Social Security Number (or Taxpayer Identification Number or Employer Identification Number). An individual Account Owner must be a U.S. citizen or resident alien. If the Account Owner is a minor, a Custodian must be named.
- E. “Account Owner Survivor” or “Purchaser Survivor” means an individual authorized by the Account Owner to take control of an Account upon the death or incapacity of the Account Owner. Failure to assign an Account Owner Survivor will result in all rights and obligations automatically transferring to the Student Beneficiary, unless a new GET Account Owner is explicitly identified in estate documents (Account Owner’s will). If the Student is a minor, a Guardian must be named and the account will become blocked until the Student reaches 18 years of age. Proof of guardianship is required.
- F. “Actuarial Soundness” means the Program is projected to have the funds needed to pay future obligations as determined by an actuary. The actuarial formula incorporates several factors, including estimated future tuition, projected inflation and investment returns, and administrative costs. It also includes a reserve to adjust for periods of lower-than-expected returns or higher-than-expected tuition, and amortization of past losses.
- G. “Agreement” means the legally binding contract between the State and the Account Owner in favor of the Student Beneficiary resulting from acceptance by the State of the Account Owner’s Enrollment form and payment for the purchase of Tuition Units under the Program.
- H. “Amortization” means an amount that was charged from May 1, 2011 - June 30, 2015 to amortize losses from past enrollment years where subsequent increases in Tuition and Fees were greater than expected. This amortization was intended to follow a 30-year amortization schedule. However, the funded status of the GET Trust Fund recovered more quickly than expected. Effective August 19, 2015, the GET Committee determined this Amortization was not necessary to have charged. The amortization is being refunded to Account Owners for all unredeemed units that were purchased in that time period.
- I. “Benefit Use Year” means the year the Student may begin the distribution of Units.
- J. “Blocked Account” means an Account that has use restrictions. (Usually, the Account Owner is a minor and the Account is restricted as a result of a court order or the Account Owner dies and has not designated an Account Owner Survivor.) In most cases, no funds may be distributed without a court order or until the minor reaches the age of majority (18 years of age in the State of Washington).
- K. “Code” means the Internal Revenue Code of 1986, as amended.
- L. “Committee” means the Committee on Advanced Tuition Payment, which governs the Advanced College Tuition Payment Program, also known as the “Guaranteed Education Tuition” program.
- M. “Custodian” means a person who has entered into an Agreement with the Program where the Account is funded from a a Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (“UGMA/UTMA”) account and the Custodian is required to act under the terms of the UGMA or UTMA. The Custodian is responsible for performing all duties of the Account Owner, unless otherwise provided by the Program.
- N. “Custom Monthly Payment Plan” means a plan selected during the enrollment period for the purchase of 50 to 500 Tuition Units over a period of 1 to 18 years. Monthly payments include a finance charge. **NOTICE: Effective July 1, 2015, new Custom Monthly Payment Plan purchases are delayed for a period not to exceed two years. No one may establish a new Custom Monthly Payment Plan during this unit purchase delay.**
- O. “Distribution” means payment by the Program to the Student’s Eligible Institution of Higher Education toward the cost of Qualified Higher Education Expenses and/or reimbursement to the Account Owner or Student, if authorized by the Account Owner.

- P. "Family Member" means spouses, parents, brothers, sisters, stepparents, stepbrothers, stepsisters, aunts, uncles, first cousins and other eligible blood or legal relatives as set forth in Section 529(e)(2) of the Code.
- Q. "Full-time Tuition" means resident undergraduate tuition charges at a State Institution of Higher Education for enrollment between 10 credit hours and 18 credit hours per academic term.
- R. "Gift Contribution" means the purchase of additional Tuition Units or payments by an individual who is not the original Account Owner in connection with an established Account.
NOTICE: Effective July 1, 2015, new Unit purchases are delayed for a period not to exceed two years. No one may purchase new Lump Sum Units or start a new Custom Monthly Payment Plan during this unit purchase delay. All gift payments received may apply only to monthly payment amounts on existing Custom Monthly Payment Plans.
- S. "Gifftor" means an individual authorized by the Account Owner to make Gift Contributions to an Account.
- T. "Guardian" means an adult authorized to make decisions on an Account owned by a minor Account Owner.
- U. "Information Release" means an individual other than the Account Owner who is authorized to make verbal inquiries about an Account. The Program cannot release the Account Owner's Login ID and password to the Information Release individual.
- V. "Eligible Institution of Higher Education" means an "eligible educational institution" under Section 529 (e)(5) of the Code and as described in IRS Publication 970. The institution must be recognized by the U.S. Department of Education as eligible to participate in student financial aid programs. The Program does not determine an institution's eligibility.
- W. "Lump Sum Plan" means a plan for the purchase of 1 to 500 Tuition Units at the Unit Price in effect on the date that payment is received by the Program. Additional Lump Sum Units may be purchased at any time at the Unit Price in effect on the date each payment is received by the Program.
NOTICE: Effective July 1, 2015, new Lump Sum Unit purchases are delayed for a period not to exceed two years. No one may purchase new Lump Sum Units during this Unit purchase delay.
- X. "Master Scholarship Account" means an Account opened by an Organization for the purposes of awarding Guaranteed Education Tuition Units as scholarships.
- Y. "Nonqualified Refunds" means all Distributions that are not Qualified Refunds.
- Z. "Organization" means a state or local governmental unit, or a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Code, that is registered or licensed to operate in the State.
- AA. "Program" means the Advanced College Tuition Payment Program, known as "Guaranteed Education Tuition" or "GET."
- BB. "Qualified Higher Education Expenses" means eligible education expenses in connection with a Student Beneficiary's attendance at an Eligible Institution of Higher Education within the meaning of Section 529 of the Code. Generally, these expenses include the following: (1) tuition, all state-mandatory and college-specific fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Student Beneficiary at an Eligible Institution of Higher Education; (2) the costs of room and board (subject to certain limits) during any academic period during which the Student Beneficiary is enrolled at least half-time in a degree, certificate, or other program that leads to a recognized education credential awarded by an Eligible Institution of Higher Education; (3) expenses for special needs services for a special needs Student Beneficiary that are incurred in connection with his or her enrollment or attendance at an Eligible Institution of Higher Education; and (4) the purchase of computer or peripheral equipment, computer software, or Internet access and related services to be used primarily by a 529 plan beneficiary while enrolled in an Eligible Institution of Higher Education (retroactive to January 1, 2015). The Program does not determine what is considered a Qualified Higher Education Expense and recommends saving receipts.
- CC. "Qualified Refunds" means (1) refunds made because the Student Beneficiary received a scholarship, provided that the scholarship is greater than or equal to the amount distributed (2) refunds made because the Student Beneficiary attended a U.S. service academy, provided that the "cost of advanced education," (as defined section 2005(d)(3) of title 10 of the Code) is greater than or equal to the amount distributed or (3) refunds made as a result of the Student Beneficiary's death or disability.
- DD. "Resident Student" means an individual who has met the requirements at a State Institution of Higher Education to be classified as a resident of the State of Washington in order to qualify for resident undergraduate tuition and fees.
- EE. Scholarship" means a scholarship, allowance, or payment as described in Section 530(d)(4)(B)(iii) and (iv) of the Code, including payments made on account of attendance at a U.S. service academy.
- FF. "State" means the State of Washington.
- GG. "State Institution of Higher Education" means a public college or university in the State of Washington, as defined in RCW 28B.10.016.
- HH. "Student" or "Student Beneficiary" means the beneficiary for whom Tuition Units will be distributed for attendance at an Eligible Institution of Higher Education. Student Beneficiaries must have a valid Social Security Number (or Taxpayer Identification Number), or must have applied for a Social Security Number (or Taxpayer Identification Number). If the Student does not have a Social Security Number at the time the Account is opened, the Account Owner must submit the Student's Social Security Number within six months after the date of the receipt of the Enrollment form.
- II. "Tuition and Fees" means resident undergraduate tuition and state-mandated fees, as defined in RCW 28B.15.020 and 28B.15.041 rounded to the nearest whole dollar. State-mandated fees are those provided by statute, including operating, building and services and activities fees. They do not include institutionally mandated fees that may be required at each individual school. Schools may impose their own fees, such as technology, library, recreation and fees to secure repayment of bonded indebtedness, and other types of fees. These fees are not considered state-mandated fees and, therefore, are not covered in the payout value amount.
- JJ. "Tuition Unit" or "Unit" means 1/100th of the highest resident undergraduate Tuition and Fees at four-year State Institutions of Higher Education for the Academic Year of distribution.
NOTICE: Tuition and Fees at Washington's highest priced public university are scheduled to decrease over the 2015-16 and 2016-17 academic years. Accordingly, the GET Committee voted to maintain the GET payout value, so it would not be reduced as a result of lower tuition. Effective September 2, 2015, the GET Payout Value will remain \$117.82/unit until the time when Tuition and Fees at Washington State's highest priced public university surpasses \$11,782.
- KK. "Unit Payout Value" means one percent of the highest resident undergraduate Tuition and Fees at four-year State Institutions of Higher Education for the Academic Year at the time of Distribution, unless the Distribution is a reimbursement for a prior academic year. If a Distribution is a reimbursement for Qualified Higher Education Expenses incurred during a prior academic year, the Unit Payout Value will be based on the Tuition and Fees in effect for that prior academic year. The Unit Payout Value is known at the beginning of each Academic Year after the state public universities set their tuition rates (usually available after August 1). The Unit Payout Value is different from the Unit Purchase Price. Some State Institutions of Higher Education also administer fee-based, self-supporting programs that are not applicable to this definition, as they are considered to be non-state funded programs as described in RCW 28B.15.031.
NOTICE: Tuition and Fees at Washington's highest priced public university are scheduled to decrease over the 2015-16 and 2016-17 academic years. Accordingly, the GET Committee voted to maintain

the GET payout value, so it would not be reduced as a result of lower tuition. Effective September 2, 2015, the GET Payout Value will remain \$117.82/unit until the time when Tuition and Fees at Washington State's highest priced public university surpasses \$11,782.

- LL. "Unit Purchase Price" means one percent of the highest resident undergraduate Tuition and Fees at four-year State Institutions of Higher Education for the Academic Year at the time of purchase, rounded to the nearest whole dollar, AND adjusted for the costs of Program administration and to ensure the actuarial soundness of the Program. The Unit Purchase Price is based on an actuarial formula, which incorporates several factors, including the current cost of tuition, estimated future tuition, inflation, investment returns and administrative costs, and the need for a reserve to assist in periods of fluctuating returns or higher than average tuition. From May 1, 2011 - June 30, 2015, it also included an Amortization amount (see H. "Amortization"). **NOTICE: Effective July 1, 2015, new unit purchases are delayed for a period not to exceed two years. Therefore, there currently is no Unit Purchase Price.**

III. ESTABLISHING AN ACCOUNT

NOTICE: Effective July 1, 2015, new enrollments are delayed for a period not to exceed two years. No one may establish a new GET Account during this enrollment delay, except for when an Account Owner wishes to establish a new Account for the purpose of transferring existing GET Units to another Student Beneficiary. The information contained in this section is for informational purposes only during this enrollment delay.

A. Submitting an Enrollment Form

1. *Completed Enrollment form.* The Enrollment form submitted to the Program must be completed according to the Enrollment form instructions. A valid email address is required to access your account online and receive Program communication (see section X. B.). A separate Enrollment form is required for each Student. The Enrollment form must be completed online by midnight on the last day of the enrollment period or postmarked by the last day of the enrollment period in order to be processed. An Account Owner with a child from birth to the date of the child's first birthday may enroll that child at any point during the year. Outside of the regular enrollment period, a birth certificate must be provided to verify that the child is equal to or less than 12 months of age at the time of enrollment. Online enrollment is not available for newborns outside of the regular enrollment period; paper enrollment forms are available on our website. Either the Account Owner or Student must be a resident of the State of Washington at the time the Enrollment form is submitted. For purposes of establishing an Account, a resident is defined as an individual whose permanent legal residence is Washington State. It includes military personnel who reside out-of-state but list Washington as their home of record in their military files.
2. *Initial Payment.* The Account Owner must send the payment for the nonrefundable enrollment fee with each Enrollment form. The Account Owner also must include payment for the purchase of a minimum of one Tuition Unit with the Enrollment form if enrolling in the Lump Sum Plan only.

B. Enrollment Form Acceptance, Agreement

1. *Written Confirmation by the Program.* A binding Agreement will be established once the Program confirms in writing or by electronic mail to the Account Owner that it has accepted the Enrollment form.
2. *Return of Enrollment Form.* If an Enrollment form is not accepted, an amount equal to any payment made will be returned to the Account Owner. The Agreement must designate an Account Owner who has a valid Social Security Number (or a Taxpayer or Employer Identification Number) or the enrollment will be rejected.
3. *Title to Agreement.* The Account Owner will hold title to an Agreement, and only the Account Owner may exercise rights under such Agreement, unless the Account Owner's ownership rights are transferred to the Account Owner Survivor, or to

the Student as described below. Any person making a Gift Contribution will not have any title to or rights under the Agreement. If the Program is unable to locate either the Account Owner or Student within the time periods required under the Agreement, the Program will treat the value of any Tuition Units credited to the Account as unclaimed property and shall comply with the requirements of the Washington Uniform Unclaimed Property Act (RCW 63.29).

4. *Automatic Transfer of Ownership.* The Student designated in an Agreement will automatically assume the Account Owner's rights and responsibilities under and title to the Agreement in the event that the Account Owner dies, becomes legally incompetent or cannot be located by the Program and has not designated an Account Owner Survivor to assume control of the Agreement. In such an event, and with proper documentation, the Student Beneficiary will become the Account Owner. The Program, without further notice, consent, authorization or otherwise, shall act at the specific direction of the Student Beneficiary/Account Owner, if not a minor. If the Student is a minor, the Account shall become a Blocked Account unless the Program receives a court order specifically stating that the Guardian may act on behalf of the Student. (See Definition of Account Owner Survivor for further details).
5. *Voluntary Transfer of Ownership.* The original Account Owner may transfer ownership of or rights under the Agreement to another person to act as Account Owner only if such transfer is not prohibited by state or federal law or regulation, and is specifically approved in writing by the Program. The new Account Owner must agree to the transfer by signing the Account Owner Change form and shall be subject to the terms of the Agreement. The signatures of the new Account Owner and the original Account Owner must be notarized.

C. The Account Owner

Only one Account Owner is allowed.

1. *Qualifications.* The Account Owner must meet the following qualifications (as applicable):
 - a. *Individual Account Owners.* An individual Account Owner must be a U.S. Citizen or resident alien and provide his or her date of birth and a valid Social Security Number (or Taxpayer Identification Number). In certain cases, other documentation may be acceptable to the Program.
 - b. *Minor Account Owners.* For an individual Account Owner under the age of 18 years, an adult must sign the Enrollment form and certify that he or she will serve as Guardian or Custodian under the Agreement.
 - c. *Account Owners not Individuals (except Trust Accounts).* In the case of a legal entity opening an Account, a legally authorized representative of the entity must sign the Enrollment form. The authorized representative is an individual designated by a Partnership, Corporation, Trust, Estate, Association, Organization, or Government entity to control an Account. An authorized representative must sign all Program forms and acts as the Account Owner on behalf of the entity. Only one authorized representative is allowed. In the case of a Trust, the Trustee is the Authorized Representative. The entity must notify the program in writing if the Authorized Representative changes.
 - d. *Trust Accounts.* A Trust must be previously established before opening a Trust-owned GET Account. The following is required for all Trust-owned accounts: Official trust documents showing full legal name, TIN, names of the Trustees and their notarized signatures. Only one Trustee is named on the Account, though others may be listed as Information Release Persons. No Distributions may be made from Trust accounts until all required documentation is received by the Program.
 - e. *Scholarship Programs.* An Organization may open a Master Scholarship Account on behalf of its scholarship program. See the Program Master Scholarship Policy on the Program website or contact the Program for more details.
 - f. *Court-ordered or Blocked Accounts.* A court may order funds to

be deposited into a blocked account for the benefit of a minor child. The court will specify any restrictions and the terms of Distribution. A Guardian must be provided as a point of contact on behalf of the minor child.

2. **Notice to Account Owners.** The Account Owner maintains complete control of the Account for the life of the Agreement. Only the Account Owner may request account changes, Distributions, refunds or cancellations. All official notices from the Program will be directed only to the Account Owner, unless otherwise requested in writing by the Account Owner. The Student has no control over the Account, unless he or she is also the Account Owner.
3. **Using Funds from UGMA/UTMA Accounts.** Custodians for minors under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act ("UGMA/UTMA") may open an Account using funds from an UGMA/UTMA Account subject to the state laws and rules governing such UGMA/UTMA accounts (See RCW 11.114).
 - When proceeds from UGMA/UTMA accounts are to be used to purchase Tuition Units under an Agreement, the Student must be shown as the Account Owner of the Account and a Custodian must be designated. The Custodian is not the owner of the Account and has a legal obligation to use UGMA/UTMA funds solely for the benefit of the Student. The Custodian on this type of Account may not change the Account Owner or Student without a court order.
 - The Student will obtain control of the Account and all rights under the Agreement upon reaching the age of twenty-one, in accordance with RCW 11.114.200. These rights include, but are not limited to, the right to cancel the Agreement and receive a refund pursuant to the Program Refund and Cancellation Policy, or to use the Tuition Units for educational purposes. Once the minor Account Owner reaches the age of 21, the Custodian will be removed and new login information will be requested from the Account Owner. A new email and password will be required to access the account online.
 - Any and all contributions to this Account will be considered UGMA/UTMA funds and become an asset of the Student and also will be subject to UGMA/UTMA restrictions. An Account Owner should open a separate Account with the Program if he or she prefers to keep new contributions free from these restrictions.
 - The Program will not be liable for any consequences related to a Custodian's improper use, transfer, or characterization of UGMA/UTMA or other custodial funds.
 - You cannot name an Account Owner Survivor for GET accounts funded with UGMA/UTMA proceeds. However, you may name a Custodian Survivor, who will act as Custodian upon the original Custodian's death or incapacity.
4. **Power of Attorney.** The Program will accept a Power of Attorney. It is the Account Owner's responsibility to notify the Program when the Power of Attorney ends. If the Account Owner is deceased, the Power of Attorney is void.

D. The Student

1. **Designation of Student.** Except as described below, the Agreement must designate, as beneficiary of the Agreement, a Student who has a valid Social Security Number or has applied for a Social Security Number. If the Student does not have a Social Security Number, the Account Owner must submit the Student's Social Security Number within six months after the date of receipt of the Enrollment form. The Student need not be related to the Account Owner. There is currently no age restriction for the Student although the student's date of birth must be provided. The Student may be the same person as the Account Owner.
2. **Scholarship Programs.** An Organization opening a Master Scholarship Account need not designate a Student at the time of enrollment. Upon awarding a scholarship, the Organization will be required to submit a Scholarship Transfer form provided by the Program and to designate a Student as beneficiary at least two weeks prior to Distribution as part of the requirements for initial

Distribution. Additional enrollment and transfer fees may apply.

3. **Change of Designated Student.** For any reason during the Agreement term, the Account Owner may, by written request, designate a new Student, who must be a Family Member of the previously designated Student. No Account Owner or Student may receive payment or other consideration in connection with such a change. The Program may require a court order to change or disallow changes of the designated Student for Blocked Accounts.
4. **Designation of the Benefit Use Year.** The Account Owner must designate a Benefit Use Year for the Student. Units may not be used until this date or later. Changing this date affects the accumulation of eligible Units and is allowed only in certain circumstances. Please contact the Program for more information.

IV. PURCHASING TUITION UNITS

NOTICE: Effective July 1, 2015, new Unit purchases are delayed for a period not to exceed two years. No one may purchase new Lump Sum Units or establish a new Custom Monthly Payment Plan during this Unit purchase delay. The information contained in this section is for informational purposes only during this unit purchase delay.

A. Annual Enrollment Period

NOTICE: Effective July 1, 2015, new enrollments are delayed for a period not to exceed two years. No one may establish a new GET Account during this enrollment delay, except for when an Account Owner wishes to transfer existing GET funds to another Student Beneficiary that does not already have a GET account.

Annually, the Program will announce an enrollment period. Enrollment forms to establish a new Lump Sum Plan or Custom Monthly Payment Plan may be submitted only during an enrollment period. However, an Account Owner with a child from birth to the date of the child's first birthday may enroll that child at any point during the year (see section III.C.5.). Additional Lump Sum Plan purchases and Gift Contributions may be made to existing Accounts at any time, including outside of an enrollment period.

The terms and features of GET in subsequent enrollment periods may differ from the terms and features described in this Master Agreement. No representation is made or assurance given that there will be additional enrollment periods, or that enrollment periods will take place annually. The Committee may limit the number of Contracts that may be purchased in any given enrollment period, current or subsequent, although there are currently no plans for any such limits. The terms and features of any enrollment period may change as necessitated by alterations to state law. See RCW 28B.95.

B. Number of Tuition Units

1. **Minimum Purchase.** For Lump Sum Plan Accounts, the minimum purchase shall be one Tuition Unit. For each new Lump Sum Plan Account, the Account Owner must purchase at least the minimum purchase amount within 90 days of opening the Account or the Account may be cancelled at the discretion of the Program. For Custom Monthly Payment Plan Accounts, the Account Owner must select between 50 and 500 Tuition Units, in increments of 50, to be purchased under the Agreement.
2. **Maximum Number of Tuition Units.** No Student designated on an Account or multiple Accounts may be the beneficiary in the aggregate of more than 500 Tuition Units.
3. **Overpayments.** If a Custom Monthly Payment Plan is paid-in-full and the Program receives additional payments to the Account from the Account Owner, the Program will do the following:
 - Overpayments of \$100 or less – The Program will NOT notify the Account Owner and will automatically apply the overpayment to purchase Lump Sum Units.
 - Overpayments of more than \$100 – The Program will notify the Account Owner that the payment was received and the Account Owner may elect to purchase Lump Sum Units, transfer the overpayment to another Account, or receive the funds back. If the overpayment was received as a gift, payment will be returned to the Gifto.

If the Account Owner does not respond within 14 days, the funds will be posted as a Lump Sum Unit purchase. If the total Tuition

Units in the Account exceed 500, the excess amount will be returned to the Account Owner or Giffor (if overpayment was a gift). Funds will be returned no sooner than two weeks after their receipt.

C. Purchase Options

1. *General.* Tuition Units under an Agreement may be purchased under the Lump Sum Plan, the Custom Monthly Payment Plan, or a combination of the two.
2. *Lump Sum Plan.* The Account Owner may choose to purchase Tuition Units covered by the Agreement in one Lump Sum payment at the time of the enrollment. Additional Tuition Units may be purchased by Lump Sum Plan payment at a later time at the price in effect for the time of purchase of those Tuition Units. Payments are posted to Accounts on the date the payment is received by the Program. Lump Sum Plan purchases may be made at any time during the year. Units purchased under the Lump Sum Plan shall be priced annually and may also be adjusted once during the year, if necessary, to ensure the actuarial soundness of the Program. Account Owners may add a Custom Monthly Payment Plan to their existing Lump Sum Account by submitting an Account Change Request Form during an open enrollment period. The Custom Monthly Payment Plan is subject to the pricing in effect at the time the Account Change Request is submitted.
3. *Custom Monthly Payment Plan.* The Account Owner may choose to purchase Tuition Units by making monthly payments under a Custom Monthly Payment Plan. The Program's price chart sets forth the purchase prices of specific numbers of Tuition Units paid for through a Custom Monthly Payment Plan purchased over a specified payment period. The Account Owner must indicate in the Enrollment form the total number of Tuition Units to be purchased under the Agreement, and if purchasing a Custom Monthly Payment Plan, the specified payment period. Monthly payments include a finance charge of 7.5 percent per annum for the life of the payment plan, as well as a small interest adjustment amount and a payment processing fee, all rounded to the next whole dollar amount. Custom Monthly Payment Plans may be set up for 1 to 18 years in duration. The Program shall supply a coupon book to an Account Owner making monthly payments, unless the Account Owner selects the option to make payments through payroll deduction or automatic monthly withdrawal. However, each monthly installment payment will be due on the monthly due date, even if the Account Owner does not receive a payment coupon book before the payment is due. No Units purchased under a Custom Monthly Payment Plan may be used until the Account has been paid in full. Custom Monthly Payment Plans may be paid off early, although there is no reduction in total finance charges paid that are applicable for the payment term in the contract. Custom Monthly Plan payment terms may be shortened to reduce finance charges, with some restrictions. Please contact the Program for more information.
The Account Owner may request to modify his or her Custom Monthly Payment Plan by completing an Account Change Request. The aspects of the agreement that may be amended include reducing or increasing the total payment term of the contract, reducing the total number of Units purchased over the life of the contract, and converting the Custom Monthly Payment Plan to a Lump Sum Account. When reducing the payment term of a Custom Monthly Payment Plan, the payment term must be equal to or greater than the number of years the Custom Monthly Payment Plan has been in effect. The date will be calculated from the date the first payment was due, rounded up to the next full year. (eg. An account with a payment due date 2 years 7 months prior would be treated, for this purpose, as having been in effect for 3 years.) This option may reduce the total finance charges paid. Increasing the number of Units in a Custom Monthly Payment Plan may be done only during the same open enrollment period. If outside that enrollment period a new Custom Monthly plan must be opened during an open enrollment period. In addition, the new

Units are subject to the Custom Monthly Payment Plan pricing in effect at the time the Account Change Request is submitted.

4. *Combination Purchases.* The Account Owner may choose to purchase Tuition Units by Lump Sum purchase and purchase other Tuition Units under a Custom Monthly Payment Plan.
5. *Newborn Enrollment.* A child may be enrolled in GET from birth to the date of his or her first birthday at any time during the year. If outside of the regular enrollment year, online enrollment is not available and the following must be included to complete the enrollment: paper enrollment form, copy of the official birth certificate, enrollment fee and payment. Enrollment forms received without the official birth certificate copy will not be processed, and may be returned. If the birth certificate is not received within 60 days, payment will purchase Units at the price in effect at the time the completed enrollment is received. If no Unit Purchase Price has been set when payment is received, payment will purchase units at the new Unit Purchase Price, once established.

D. Pricing of Tuition Units

NOTICE: Effective July 1, 2015, new unit purchases are delayed for a period not to exceed two years. Therefore, there currently is no Unit Purchase Price.

1. *Annual Determination by Program.* For each year, the Program will use actuarial methods to determine Unit Purchase Prices for Tuition Units purchased during that year which may include a premium over current tuition costs. The price for Tuition Units covered by an individual Custom Monthly Payment Plan will not change from year to year, but remain as determined at the outset of the Agreement. The price of Units purchased under the Lump Sum Plan shall be set annually and may also be adjusted once during the year, if necessary, to ensure the actuarial soundness of the Program.
2. *Determination of Unit Purchase Prices.* The Unit Purchase Prices shall be determined based on one percent of the highest resident undergraduate Tuition and Fees for the four-year State Institutions of Higher Education for the current Academic Year, rounded to the nearest whole dollar, adjusted for the costs of administration and adjusted as determined by the Program to ensure the actuarial soundness of the Program. The actual Unit Purchase Price paid for each Unit may vary depending on the purchase payment options exercised by the Account Owner at the time of purchase.
3. *Amortization.* Between May 1, 2011 and June 30, 2016, the Unit Purchase Price included an amount to amortize losses from past enrollment years where subsequent increases in Tuition and Fees were greater than expected. This amortization was intended to follow a 30-year amortization schedule. However, the funded status of the GET Trust Fund recovered more quickly than expected. Effective August 19, 2015, the GET Committee determined this Amortization was not necessary to have charged. The amortization is being refunded for all unredeemed units that were purchased in that time period.

E. Methods of Payment

1. *Acceptable Methods.* Payment of the purchase price for Tuition Units and required fees must be made in United States currency, using any of the payment methods permitted by the Program, which may include (without limitation) the following:
 - Personal or cashier's check; or
 - Money order; or
 - Automatic Withdrawal Authorization – Account Owners selecting this method must complete the Automatic Withdrawal Authorization form provided by the Program, including a voided check for verification of routing and bank account numbers; or
 - Payroll deduction – Account Owners selecting this method must be employed by an organization that offers payroll deduction for the Program and must complete a Payroll Deduction Authorization form provided by, or acceptable to, the Program; or

- Payment online through the Program's website via an online automatic payment option. There is a nominal \$1 fee assessed by U.S. Bank per transaction.

NOTICE: This option is not currently available due to the unit purchase delay in effect.

- Credit or debit cards – Credit or debit cards will be accepted for payment of enrollment fees only and not for Unit purchases.
2. *Wire Transfers.* The Program does not accept payments via wire transfer.
 3. *Fees.* Account Owners will be responsible for any fees charged by a bank or other entity that may be applicable to the payment method selected, including fees assessed on returned payments. See J. Dishonored Payments.

F. Gift Contributions

NOTICE: Effective July 1, 2015, new Lump Sum Unit purchases are delayed for a period not to exceed two years. No one may purchase new Lump Sum Units during this unit purchase delay. All gift payments received may apply only to monthly payment amounts on existing Custom Monthly Payment Plans.

1. *Gift Contributions to an Existing Account.* A person may purchase Tuition Units for a Student designated on an existing Account by paying an amount referred to as a "Gift Contribution." A Gift Contribution may purchase additional Tuition Units or, in the case of a Custom Monthly Payment Plan, may be applied to current or future monthly payments covered by the Agreement, and together with the Tuition Units covered by the Agreement, are subject to the maximum purchase amount. If the Student has a Custom Monthly Payment Plan, the Gift Contribution will be applied to the payments on the Custom Monthly Payment Plan, unless the Program receives written instructions to purchase additional Lump Sum Units. If a Gift Contribution results in an Account balance that exceeds the 500 Tuition Unit maximum, the excess amount will be returned to the Gifor.
2. *Timing of Gift Contributions.* Persons may make Gift Contributions to an established Account at any time, including outside an enrollment period. The Tuition Unit price posted to an Account will be the price in effect at the time payment is received.
3. *Purchase Price.* The purchase price of additional Tuition Units paid for by a Gift Contribution will be the same as the price applying to Lump Sum Plan purchases at the time the Gift Contribution is received. If applied to a Custom Monthly Payment Plan, it is applied at the rates established in the Agreement.
4. *Ownership of Tuition Units.* Tuition Units purchased and payments made by a Gift Contribution will be added to an existing Account and will be owned by and subject to direction solely by the Account Owner of the existing Account, not by the person making the Gift Contribution.
5. *Terms of Existing Agreement.* Purchase of Tuition Units by a Gift Contribution shall not affect the terms of the applicable existing Agreement.

G. Rollovers

NOTICE: Effective July 1, 2015, new Unit purchases are delayed for a period not to exceed two years. No one may purchase new Lump Sum Units or establish new Custom Monthly Payment Plans during this unit purchase delay. All rollover payments received may be applied only to monthly payment amounts on existing Custom Monthly Payment Plans.

In connection with the purchase of Tuition Units for an Account, the Account Owner must indicate whether the purchase is funded by a rollover contribution from a Coverdell Education Savings Account, a qualified U.S. Savings Bond (as described in Section 135(c)(2) (C) of the Code) or another 529 Plan for the same Student or for a new Student who is a Family Member of the original Student. If it is a rollover contribution, the Account Owner must provide acceptable documentation showing the earnings portion of the contribution. To

the extent such documentation is not provided, the Program will treat the entire amount of the rollover contribution as earnings. Rollovers may be subject to taxes and program penalties on earnings. Please see the Tax Matters section of the Program Details guide for more details.

Acceptable documentation includes the following:

- 529 Plan Assets: An account statement issued by the 529 Plan that shows the earnings or loss portion of the Account Owner's withdrawal.
- Coverdell Education Savings Accounts: An account statement or documentation issued by the account custodian that shows the basis and earnings in the Account Owner's account.
- U.S. Savings Bond: An account statement or IRS Form 1099INT from the redeeming institution that shows the interest that has accrued on the bond.
- Such other documentation determined by the Program to be acceptable in accordance with future guidance issued by the IRS.

Rollovers between 529 Plans for the same Student Beneficiary are permitted only if it has been at least 12 months since the most recent such rollover for that Student Beneficiary. There is no restriction on the frequency of rollovers between 529 Plans for different Student Beneficiaries. The distribution must be reinvested in another 529 Plan within 60 days of the withdrawal date. The Program does not perform direct rollovers to other state 529 Plans. Distributions of this type fall under the Program's Refund and Cancellation Policy (described herein). Rollover payments will be applied to Lump Sum Unit purchases unless the Account Owner specifies otherwise.

H. Prepayment

An Account Owner may prepay any amount due under a Custom Monthly Payment Plan before the applicable monthly due date. The Program will automatically apply prepayments in the following order of priority: (1) to any outstanding fees, charges, or penalties, under the Agreement; and (2) to future monthly payments in chronological order by due date. Upon a prepayment, there will be no reduction in the total monthly payments and the finance charge component thereof.

I. Failure to Pay When Due

1. *Payment Made Late.* If any monthly payment is made more than 10 days after the applicable monthly due date, such amount will be treated as a late payment. Each late payment will be subject to a late payment fee as described in the Program Fees chart.
2. *Failure to Pay.* If the initial Custom Monthly Payment Plan payment is not made within 90 days after the first payment due date or if a Custom Monthly Payment Plan is more than 180 days behind in payments, the Agreement to purchase Units under the Custom Monthly Payment Plan may be cancelled and the Program may automatically convert the Account to a Lump Sum Plan. Any outstanding fees will be withdrawn by the Program from the Account at the time of conversion.

NOTICE: During the unit purchase delay, any payments made after July 1, 2015 on Custom Monthly Payment Plans that are converted to Lump Sum Plans will be refunded to the individual who made the payment.

J. Dishonored Payments

1. *Dishonored Payment.* If a check, automatic withdrawal or other payment by an Account Owner is not honored or not paid in full by the applicable bank or other entity (including stop payments), the payment will be treated as a dishonored payment. Each dishonored payment will be subject to a dishonored payment fee (see Program Fees chart). Replacement payments made to offset dishonored payments will be processed at the Unit price in effect at the time the replacement payment is received.
2. *Initial Payment.* If the dishonored payment represents the initial payment, the Program may choose not to accept the Enrollment

form or, if the Enrollment form has previously been accepted, may cancel the Agreement.

3. *Monthly Payment.* If the dishonored payment is a Custom Monthly Payment Plan payment, the amounts relating to the dishonored payment will remain due.

V. DISTRIBUTION OF TUITION UNITS

A. Distribution of Tuition Units

For Tuition Units to be distributed, the following shall occur:

- For Units purchased by a Lump Sum Plan purchase, the Units must be held for two full calendar years. Any outstanding fees must be paid before a Distribution can be approved or processed.
- For Units purchased in a Custom Monthly Payment Plan, the Custom Monthly Payment Plan must be paid in full, there must be no outstanding fees, and the Agreement must have been in effect for two years before any Units purchased under the Agreement may be used.
- The Student must have enrolled in an Eligible Institution of Higher Education on or after the projected Benefit Use Year set forth in the Enrollment form. The Benefit Use Year may not be changed to a date prior to the student's enrollment in an eligible institution.
- The Program will reimburse actual tuition expenses charged to the Student for enrollment in the Running Start Program. Reimbursement is also allowed for all non-subsidized required eligible expenses.

B. Eligible Expenses

The IRS may require documentation from the Account Owner and/or Student necessary to confirm that a Distribution will be used only for Qualified Higher Education Expenses at an Eligible Institution of Higher Education, as allowed by federal tax law in effect at the time. From time to time, changes in federal law may affect the types of Qualified Higher Education Expenses and Eligible Institutions of Higher Education for which Distributions may be used. The Program does not determine what is considered a Qualified Higher Education Expense and recommends saving receipts.

C. Use of Tuition Units

Tuition Units may be used for Qualified Higher Education Expenses at any Eligible Institution of Higher Education. The value of 100 Tuition Units is not guaranteed to cover the full amount of Tuition and Fees unless used at a State Institution of Higher Education.

D. Timing and Maximum Distribution

Unless eligible Units are available from a prior Benefit Use Year, total Distributions may not exceed a maximum of 125 Units per Student for the Academic Year of August 1 to July 31. Subject to any further restrictions imposed by state or federal laws or regulations, all requests for a Distribution from an Account must be made within 10 years after the Benefit Use Year or within 10 years after the first distribution date for such Account, whichever is later, unless the Program approves the Account Owner's written request for an extension before that time.

E. Request for Distribution

The Program will provide the Account Owner with information on completing a Direct Distribution or Reimbursement Request, which may be completed either online or by paper form. If using a paper form, the Distribution request must be returned to the Program by the date required on the form. If the Program does not receive the form by the due date, Distribution of Units may be delayed. If the Account has been opened by an Organization in connection with a scholarship program, the Organization also must designate the Student and provide the information required by the Program for purposes of Distribution at least two weeks prior to the expected distribution date. The information received may be verified by telephone.

F. Payment of Distribution

1. *Payment to Institutions.* Except as provided in F.2. below, any distribution by the Program on behalf of a Student will be paid

directly to the Eligible Institution of Higher Education at which the Student is enrolling.

2. *Reimbursement.* At the option of the Account Owner, distributions may be paid to the Account Owner or Student for Qualified Higher Education Expenses in the form of a reimbursement. Note that repayment of student loans is not considered a Qualified Higher Education Expense. Reimbursements to Students require a notarized signature from the Account Owner. Reimbursements may be requested for the current and prior academic year, but within the current calendar year only. Reimbursements for an expense incurred in the prior academic year will be paid at the Unit Payout Value applicable to that prior academic year. Reimbursements for prior calendar year Qualified Higher Education Expenses may have state and/or federal tax implications.
3. *Conditions to Payment.* A distribution will be made only after the Program determines:
 - a. Eligibility of the Institution. The Student's institution is an Institution of Higher Education as defined in the Agreement.
 - b. Qualified Higher Education Expenses. The amount of any distribution will not exceed the value of Units available to be distributed and will be used for Qualified Higher Education Expenses.
4. *Value of Tuition Units to be Distributed.* Tuition Units shall be valued at the time of distribution, except for reimbursements for Qualified Higher Education Expenses incurred in a prior academic year, as set forth in the definitions of this Agreement.
5. *Forfeiture of Account.* The Program may terminate the Account if there is no activity on the Account in the 10 years after the Student reaches the projected Benefit Use Year and no notification of intended usage or request for extension has been received by the Program. The Program will begin notifying the Account Owner 180 days prior to forfeiture. If the Account Owner cannot be located after reasonable efforts, then the Program shall comply with the requirements of the Washington Uniform Unclaimed Property Act (RCW 63.29).
6. *Tax Implications.* The Program shall not be responsible for any state or federal taxes imposed on the Account Owner, the Student or otherwise in connection with any distribution of Units and such persons are urged to consult their tax advisor. See "Tax Matters" in the Program Details guide for more tax information.
7. *Refunds from an Institution.* If a beneficiary receives a refund from an Eligible Institution of Higher Education due to illness, unforeseen circumstances or dropped credit hours, the Account Owner has 60 days from the date of the refund to re-contribute the money into his or her 529 account. The re-contributed amount must not exceed the refunded amount.

VI. REFUNDS

NOTICE: Between September 2, 2015 and December 15, 2016, the Program will waive all state program refund penalties and fees and the two-year hold requirement for all Account Owners who request full or partial refunds of their Accounts. During this timeframe, Account Owners who refund their accounts will receive a refund of their contributions or the current Unit Payout Value of \$117.82, whichever is greater. This refund of contributions includes finance charges paid by customers with Custom Monthly plans, if these finance charges caused the effective unit price to be greater than \$117.82 per unit. Be aware that IRS taxes and penalties are not controlled by the Program and remain in effect.

A. General Refund Rules

1. All refunds will be made according to State law, including RCW 28B.95.110, Program rules and policies, and Section 529 of the Code.
2. Refunds will be made by the Program only for Tuition Units held in an Account for a minimum of two calendar years or such shorter period as may be required under state or federal laws, regulations, or policies or as directed by court order.
3. The Program may charge fees or a Program penalty in connection with refunds as set forth in greater detail below. The Program

shall deduct all outstanding fees and the Program refund penalty from Account payments. Any refund fees based on the amount of time the Account has been open are calculated using the date that the Account application was accepted by the Program.

4. The Program will make refunds to the Account Owner (or Student, if specified in writing by the Account Owner), or as otherwise described in the applicable Agreement.
5. Subject to any further restrictions imposed by state or federal law or regulations, or Program limitations as indicated below, all requests for a refund from an Account must be made within 10 years after the Benefit Use Year or the first distribution date for such Account, whichever is later, unless the Program approves the Account Owner's written request for an extension before that time. Refunds for Scholarships must be requested during the academic year in which the Scholarships are awarded.

B. Request for Refund

1. Only the Account Owner may request a refund of amounts credited to the Account except as described within the applicable Agreement.
2. The refund request must include a notarized Refund/Cancellation Request form signed by the Account Owner and other documentation required by the Program, as detailed in the Program Refund and Cancellation Policy (available on the Program website or by contacting the Program) in effect on the date of the refund request.
3. The Program Director must approve refunds from Accounts older than six months into which the Account Owner has paid over \$500.

C. Reasons for Refunds – Penalty Fees

NOTICE: Program refund penalties and fees are being waived through December 15, 2016. IRS taxes and penalties are not controlled by the Program and remain in effect.

1. **Qualified Refunds.** The Program will refund Tuition Units and will not assess a Program refund penalty fee or refund fees for Qualified Refunds. The IRS does not assess a 10 percent penalty tax, but the earnings portion of all Qualified Refunds will be subject to federal income tax. The following documentation must be submitted with the Refund/Cancellation Request form:
 - **Death** - In connection with the death of the Student, a request must be accompanied by a copy of the Student's death certificate.
 - **Disability** - In connection with the disability of the Student, a request must be accompanied by appropriate documentation from a medical professional demonstrating that the disability prevents or would prevent the Student from attending any Eligible Institution of Higher Education.
 - **Scholarship (or attendance at a U.S. service academy)** - As a result of the Student's receipt of a Scholarship, a request must be accompanied by documentation of the Scholarship, including the awarding entity, the amount of the Scholarship and the term for which it was awarded (must be within the current academic year). Qualified Refunds in connection with a Scholarship are limited to the Scholarship award (or "cost of advanced education" in connection with the Student's attendance at a U.S. service academy), not to exceed 125 Units per Academic Year (plus eligible Units from prior Benefit Use Years). Scholarship refunds must be requested during the academic year the Scholarship is awarded. The Program is unable to process retroactive or cumulative Scholarship refunds. The Account Owner may request a Qualified Refund without a Program refund penalty for the cash value of Scholarships received by the Student for the year the Scholarship is received. Instead of requesting a Qualified Refund, the Account Owner may elect to use an amount equivalent to the Scholarship to pay for the Student's other Qualified Higher Education Expenses.
2. **Nonqualified Refunds.** Except as provided below, the Program will assess a Program refund penalty fee and other refund fees on any Nonqualified Refund (see Program Fees schedule). In addition

to the Program refund penalty fee and refund fees, Nonqualified Refunds are also subject to a 10 percent penalty tax on earnings payable to the IRS by the Account Owner. The earnings portion of all refunds will be subject to federal income tax.

- a. Nonqualified Refunds requested due to a Student's graduation or completion of a program. The Program does not assess the Program refund penalty fee or other refund fees for refunds due to a Student's graduation or completion of a program from an Eligible Institution of Higher Education. However, the earnings portion of the distribution is subject to federal income tax and a 10 percent federal penalty tax and possible state income taxes where applicable.
- b. Program Refund Penalty Fee. The Program refund penalty fee amount is 10 percent of the earnings at the time of the refund, or \$100, whichever is greater.

D. Payment of Refund

1. **Units Eligible for Refund.** For Tuition Units to be refunded, the following shall occur:
 - For Units purchased by a Lump Sum Plan, the Units must be held for two full calendar years.
NOTICE: The two-year hold requirement is waived for refunds made between September 2, 2015 and December 15, 2016.
 - For Units purchased by a Custom Monthly Payment Plan, the Custom Monthly Payment Plan must be paid in full, there must be no outstanding fees, and the Agreement must have been in effect for two years before any Units purchased under the Agreement may be refunded. If the Custom Monthly Payment Plan is not paid in full, the Program will convert the plan to a Lump Sum Plan and refund the Units according to the Lump Sum Plan.
2. **Limits on Refunded Units.** For approved refunds, all Tuition Units minus any Program refund penalty fee and other refund fees will be refunded except refunds requested due to:
 - Student Nonattendance. The refund is limited to 125 Units per academic year. The refund will be made no sooner than 90 days after the Refund/Cancellation Request form and any other documentation required in the Program Refund and Cancellation Policy is received. The Account Owner must complete the Refund/Cancellation Request form each academic year for the refund of additional Tuition Units, until all Units are refunded.
 - Scholarship. For a Refund because of a Scholarship for the Student (or Student attendance at a U.S. service academy), the refund is limited to the Scholarship award (or "cost of advanced education" in connection with attendance at a U.S. service academy), not to exceed 125 Units per Academic Year (plus eligible Units from prior Benefit Use Years).
 - Except as specified above, partial refunds are not allowed.
NOTICE: Partial refunds will be allowed between September 2, 2015 and December 15, 2016.
3. **Refund Amount.** The Program will calculate the amount of any refund pursuant to the terms of the applicable Agreement. The refund amount paid is based on the current Unit Payout Value, as determined by the Committee, at the time the Program approves the refund, unless otherwise required by state law. The refund will be minus any applicable Program refund penalty fee, refund fees, or other outstanding fees or charges. **NOTICE: Between September 2, 2015 and December 15, 2016, Account Owners who refund their accounts will receive a refund of their contributions or the current Unit Payout Value of \$117.82, whichever is greater. This refund of contributions includes finance charges paid by customers with Custom Monthly plans, if these finance charges caused the effective unit price to be greater than \$117.82 per unit. Refund amounts do not include previously incurred, non-refundable fees: enrollment fees, late payments fees and non-sufficient funds fees.**

E. Refund Requests Due to Bankruptcy

Certain funds may be protected against bankruptcy of the Account Owner. See G. Bankruptcy Provisions in "Section IX, Other Considerations" of the applicable Agreement. If a refund is requested

due to bankruptcy, the Account Owner or Bankruptcy Trustee must provide the Program with a copy of the bankruptcy filing. The Units will be valued at the Unit Payout Value in effect at the time the refund is approved. All outstanding fees will be deducted but the Program will not assess a Program refund penalty fee or other penalties or fees. Payments will be made payable per the Bankruptcy Trustee.

F. Refund Decision Appeal Process

If the Program denies a refund request, the Account Owner may submit a letter to the Program Director within 10 days after notification, asking for reconsideration. If the Director denies reconsideration, the Account Owner may submit a letter to the Committee Chair within 10 days after notification, asking for reconsideration. The Committee Chair will conduct a brief adjudicative proceeding on the merits of the request and render a final decision.

G. Termination of Agreement

This Agreement will terminate 10 years after the Student reaches the projected Benefit Use Year or 10 years after the initial Distribution date, whichever is later. This time can be extended for any active service in the uniformed services as defined in RCW 73.16.031. The Program shall notify the Account Owner of their options, including their right to a refund prior to the termination of the Account. The then current value of Tuition Units under the Agreement may be paid by the Program to the Account Owner as a Nonqualified Refund, after deducting the Program refund penalty fee and any other outstanding fees. Upon notification to the Program, the Account Owner may request a waiver to extend the time period allowed to use the Units in the Account. Any waiver request will be subject to the approval of the Program, in its sole discretion. If after 10 years after the Student's Benefit Use Year Units remain in the Account, no refund has been requested and/or no waiver has been made, the Program will attempt to locate the Account Owner. If the Account Owner cannot be located after reasonable efforts, then the Program shall comply with the requirements of the Washington Uniform Unclaimed Property Act (RCW 63.29). The value of any such amounts reported as unclaimed property shall be the amount of payments made to the Account less (i) any Tuition Units used; (ii) any refunds paid; and (iii) any administrative fees.

H. Tax Implications

The Program shall not be responsible for any state or federal taxes imposed on the Account Owner, the Student or otherwise in connection with any refund, including the 10 percent penalty tax payable to the IRS in connection with a Nonqualified Refund. The Program sends a tax document to recipients of Qualified and Nonqualified Refunds made during the calendar year as required by the IRS. The tax document details the gross Distribution, gain (or loss) and the basis of all Distributions. See "Tax Matters" in the Program Details guide for more tax information.

VII. FEES/PENALTIES

The Program will establish fees and penalties, and will adjust such fees and penalties from time to time. The Account Owner should refer to the current schedule for fees and penalties provided by the Program. The Account Owner agrees that the Program shall have the right to deduct fees and penalties before any Distribution or refund. This may reduce the number of Tuition Units credited to an Account.

VIII. AGREEMENT CANCELLATION

A. Full Cancellation

1. *Program Cancellations.* The Program may cancel an Agreement immediately if: (i) the Account Owner has supplied materially false or misleading information or has made a material misrepresentation on or in connection with an Enrollment form or an Agreement; (ii) the Account Owner fails to provide a valid Social Security Number for the Student within six months after

the date of enrollment; (iii) the value of the Tuition Units held in an Account Owner's Account as then calculated is less than an amount determined by the Program to be minimal; (iv) the initial payment is dishonored; or (v) the Account Owner fails to comply with the terms of the Agreement (other than failure to make monthly payment by the monthly due date) and does not correct such failure within 30 days after receiving notice of such failure.

2. *Within three working days.* The Account Owner may cancel his or her Account within three working days after the Program receives the Enrollment form and initial payment. Account Owners must call or email the Contact Center within three working days to begin the process or mail the completed notarized cancellation request, postmarked within the three days. If these conditions are met, the Program will return all payments to the Account Owner, including the enrollment fee.
3. *Within six months.* The Account Owner may cancel his or her Account within six months after the Program receives the initial payment. The Program will return all payments to the Account, except the non-refundable enrollment fee and any other outstanding fees.
4. *Accounts with \$500 or less.* The Account Owner may cancel his or her Account at any time, if the Account Owner has paid \$500 or less into his or her Account. The Program will return all payments to the Account, except the non-refundable enrollment fee and any other outstanding fees.
5. *More on account cancellations:* Account cancellations are non-reversible. An account cannot be reopened once it has been closed.

B. Account Conversion

If a Custom Monthly Payment Plan is not in good standing, the Program may declare a conversion of the Account. Monthly payments on a converted Account will be used to purchase paid-in-full Lump Sum Plan Units at the prices in effect on each payment date. After conversion, only Lump Sum Plan Units may be purchased in that Account.

C. Cancellation Fees

In the event of any full cancellation of an Agreement by the Program, the Program may deduct any applicable Program refund penalty fee and any other unpaid fees and charges from amounts credited to the Account and shall then transmit to the Account Owner any remaining amounts on deposit.

IX. OPERATION OF THE FUND

A. Pooled Accounts

All amounts received under Agreements will be commingled and held by the Program in accordance with federal and state law. The Program will not separately invest amounts paid under an individual Agreement, but will maintain records showing the Account Owner, the Student, the amount paid and the number of Tuition Units purchased, distributed and refunded in connection with an Agreement.

B. Investment and Use

1. *Investment.* The Program is permitted to invest amounts paid under Agreements in accordance with state law and the Washington State Investment Board's investment policy. The Program is not required to invest such amounts.
2. *Investment Not Subject to Direction.* No Account Owner or Student may direct the investment of amounts paid to or otherwise held by the Program in connection with any Agreement.
3. *Use.* The Program may apply amounts paid under Agreements to pay for or reimburse the Washington State Investment Board for its administrative expenses in connection with the Program.

C. Reserve

The Program will accumulate amounts as a stabilization reserve, available to pay obligations of the Program if the Program does not

otherwise have revenues in any particular year sufficient to pay such obligations. Reserve amounts will not be held, maintained or invested separately by the Program.

D. Amortization

From May 1, 2011 through June 30, 2015, the Unit Purchase Price included an amount to amortize losses from past enrollment years where increases in Tuition and Fees were greater than expected. This amortization was intended to follow a 30-year amortization schedule. However, the funded status of the GET Trust Fund recovered more quickly than expected. Effective August 19, 2015, the GET Committee determined this Amortization was not necessary to have charged. The amortization is being refunded for all unredeemed units that were purchased in that time period. Account Owners will automatically receive this amortization refund in the form of a paper warrant, mailed to the address associated with their GET accounts.

E. Annual Program Analysis

In accordance with state law, the Program will have an annual evaluation of the actuarial soundness of the Program. The results of this evaluation will be used to determine whether one or more Unit price adjustments are needed, and if so, how much the price will be adjusted.

F. Fund Termination

1. *Declaration of Termination.* If the State declares that the Program is not financially feasible, or for any other reason determines that the Program shall be terminated, the Committee will cease to accept any further Agreements or Tuition Unit purchases.
2. *Remaining Tuition Units.* The remaining Tuition Units for all Students who have either enrolled in an Eligible Institution of Higher Education or who are within four years of their eighteenth birthday shall be honored until such Tuition Units have been exhausted, or for 10 fiscal years from the date the Program was terminated, whichever comes first. All other Account Owners shall receive a refund equal to the current value of the Tuition Units in effect at the time of termination, as determined by the Committee. The Program will not assess refund fees for refunds issued in conjunction with fund termination.
3. *At the End of the 10-Year Closeout Period.* At the end of the 10-year closeout period, any Tuition Units remaining unused by current Students enrolled in an Eligible Institution of Higher Education shall be refunded at the value of a Unit in effect at the end of the 10-year closeout period. The Program will not assess refund fees for refunds issued in conjunction with fund termination.
4. *Remaining Amounts.* At the end of the 10-year closeout period, all other amounts not needed to make refunds or to pay for administrative costs shall be deposited in the State General Fund.

G. State Guarantee

The Washington Advanced College Tuition Payment Program is an essential State governmental function. Agreements with eligible participants are contractual obligations legally binding on the State. The State guarantee is backed by State law (RCW 28B.95). The State guarantees that purchases of Tuition Units will be worth the same number of Tuition Units at the time of redemption as they were worth at the time of the purchase. If, and only if, the money in the Program is projected to be insufficient to cover the Program's contracted expenses for a given biennium, then the State legislature shall appropriate to the Program the amount of money necessary to cover such expenses. This means that, if future tuition increases required the Program to pay out more money during a given biennium than available, the State legislature would be required by State law to appropriate State funds to cover the expenses. Distributions and refunds shall be made by the Program as outlined in Sections IV and V of this Master Agreement. The Program is specifically designed to be a long-term savings vehicle that increases higher education access and affordability for Washington residents.

This program is not intended to be, nor should it be considered a high-yield investment vehicle. The Program does not guarantee the Unit Payout Value will exceed the Unit Purchase Price.

X. OTHER CONSIDERATIONS

A. Transferability

The Agreement between the State and the Account Owner is not transferable by the Account Owner for payment or other consideration except as allowed under Sections II B (4) and (5). No Account Owner, Student or other person or entity may pledge an Account or any amounts credited to an Account as collateral in connection with a loan or other arrangement.

B. Tax Considerations

The Program is designed to qualify for treatment as a qualified tuition program under Section 529 of the Code, and is subject to any changes to state or federal law. Federal law, effective Jan. 1, 2002, permits Account Owners or Students to be exempt from payment of income tax on any increased value of distributed Units if such Units are used for Qualified Higher Education Expenses. Payments to Accounts are considered completed gifts for federal estate and gift tax purposes. The Program is not liable for the effect of any state or federal taxes on any transactions or activity in conjunction with an Agreement, including the 10 percent penalty tax which must be paid to the IRS on earnings in connection with a nonqualified Distribution. All Account Owners and Students are solely responsible for payment of any applicable taxes or submission of any required forms or other documents to taxing entities. Account Owners are strongly advised to consult a tax advisor regarding the consequences of their participation in the Program. See "Tax Matters" in the Program Details guide for more tax information.

C. Coordination with Other Education Incentives

Contributions may be made to a Coverdell Education Savings Account and the Program in the same year for the same Student. HOPE Scholarship and Lifetime Learning Credits can be claimed in the same year that a qualified Distribution is taken from the Program, provided the Distribution is not used for the same expenses. See "Tax Matters" in the Program Details guide for more tax information.

D. Securities Law Considerations

Agreements may be considered securities for the purpose of certain state or federal laws. As a result, if the State of Washington were to eliminate its residency requirement in the future, the Program may still be prevented from allowing potential Account Owners located in other states to establish contracts. If allowed, Account Owners might be required to file additional documentation or to pay additional fees to enroll in the Program.

E. Impact on Financial Aid and Medicaid

Financial Aid. The Program cannot determine and makes no representation as to what effect, if any, an Agreement may have on future state, federal, institutional, or private financial aid eligibility of any Student. The receipt of, or potential for receipt of, Distributions or refunds under an Agreement may affect a Student's qualification for or receipt of such financial aid. Funds from an Account are typically listed on the Free Application for Federal Student Aid (FAFSA) as an asset of the Account Owner.

The amount listed is the refund value of all Accounts of the Account Owner on the date of filing the FAFSA. Assets are used in the calculation of the Expected Family Contribution (EFC), which is used by Institutions to determine need for financial aid. However, treatment of such assets may vary. Financial aid rules may be subject to change, and the Program cannot advise in this area. The Account Owner should contact the financial aid office at the Student Beneficiary's Eligible Institution for information on financial aid award procedures.

Medicaid. Rules vary greatly so it is unclear how local and state

government agencies will treat Program assets when determining Medicaid eligibility. If this is a concern, the Account Owner should consult a qualified advisor to determine how an Account may affect Medicaid eligibility.

F. Residency, Financial Aid, and Academic Status

Purchase of an Agreement or other participation in the Program, including being named as a Student under an Agreement, does not constitute any guarantee of:

- Admission to any Eligible Institution of Higher Education; or
- Classification as a resident of the State of Washington for purpose of admission to or tuition at any State Institution of Higher Education; or
- Eligibility for any form of state, federal, institutional or private student financial aid; or
- Graduation from any Eligible Institution of Higher Education.

G. Bankruptcy Provisions

- Under State law RCW 28B.95 and RCW 6.15.010 (1) (e), effective July 24, 2005, funds used to purchase Tuition Units more than two years prior to the date of a bankruptcy filing or court judgment will be considered excluded personal assets of the Account Owner.
- Under federal law, effective October 17, 2005, funds used to purchase Tuition Units more than two years prior to the bankruptcy filing are exempt. The protection is limited to \$5,000 for funds held for only one to two years. Funds held in an Account for less than one year are not protected. The Student Beneficiary cannot be the debtor and must be the debtor's child, stepchild, grandchild, or step-grandchild.

XI. MISCELLANEOUS

A. Notice to Program

Notice to the Program shall be sent by mail to Guaranteed Education Tuition, P.O. Box 43450, Olympia, Washington 98504-3450, by fax to 360.704.6200 or by email to GETInfo@wsac.wa.gov.

B. Communication from Program

The Program is committed to increased efficiency and reduced cost by using email communication and online processes whenever possible. Therefore, the default method of communication will be via email and/or online Account notifications. Account owners may request paper communication by contacting the Program or indicating that preference in the account profile (Email Communication Center) section of their online Account.

C. Records

Records for the Program shall be subject to the public disclosure laws of the State and the exemption from disclosure provided therein.

D. Washington Law Governs

The laws of the State of Washington shall govern each Agreement. Account Owners agree to jurisdiction of the Washington state courts over any disputes in connection with the Program or any Agreement.

E. Amendments

The Program reserves the right to amend any Agreement to the extent required by law or to the extent necessary or desirable in order to preserve favorable tax treatment under federal and state law or for reasons in the interest of Account Owners and the Program and to make technical corrections. This Master Agreement supersedes all previous Master Agreements.

F. Severability

If any court of competent jurisdiction finds any portion of these Master Agreement terms or the Enrollment form to be invalid or

unenforceable, such invalid or unenforceable portion shall be severed from these Master Agreement terms or the Enrollment form, as applicable, and the remainder of these Master Agreement terms or the Enrollment form will remain in full force and effect.

G. Purchases by Persons Employed or Related to the Program

Members of the Committee, Program staff and persons employed by service providers in connection with the Program may purchase Tuition Units to the extent consistent with State and federal law and upon the same terms and conditions as the public at large.

H. Unclaimed Funds

Under certain circumstances, if a check issued by the Program to an Account Owner, Student or Eligible Institution of Higher Education is not cashed and the Program has not been able to contact the owner of the funds (entity who the check is made payable to) for a period of at least three years, the funds will be considered abandoned according to the Washington Uniform Unclaimed Property Act (see RCW 63.29.020(1)). If the funds remain abandoned, they may, without proper claim by the owner of the funds, be transferred to the Washington State Department of Revenue as unclaimed property.

I. Dispute Resolution

The Program will honor instructions from any person who provides correct identifying information either online, using the Account Owner's user ID and password or by paper form that is duly signed and dated. The Program is not responsible for fraudulent transactions it believes to be genuine. Accordingly, the Account Owner bears the risk of loss if unauthorized persons request a Distribution from their Account. It is the Account Owner's responsibility to review all Account information and to notify the Program promptly of any unusual activity.

2. Tax Matters

This section provides a discussion and overview of the tax consequences of transfers, investments, and withdrawals from your Guaranteed Education Tuition account. It does not address other state or local taxes, including taxes imposed by a state other than Washington. *You should consult a qualified tax advisor regarding your individual situation.*

Caveats With Respect to Tax Discussion

This summary is not exhaustive, and you should not construe it as providing advice on your particular situation. In addition, there can be no assurance that the Internal Revenue Service (“IRS”) will accept the conclusions in this Program Details/Master Agreement or, if challenged by the Service, that these conclusions would be sustained in court. The applicable tax rules are complex, some of the rules are uncertain, and their application to any particular person may vary according to facts and circumstances specific to that person. This section is not intended to constitute, nor does it constitute, legal or tax advice. You should consult your legal or tax advisor about the impact of these rules on your individual situation. This summary is not intended or written to be used, and cannot be used, for the purposes of avoiding penalties imposed under the Code (as defined below). This summary was prepared to support the marketing of the Program.

Changing Tax Laws and Regulations

The summary is based on the relevant provisions of the Internal Revenue Code of 1986, as amended (the “Code”), the Proposed Regulations, relevant legislative history, and official interpretations of applicable federal and Washington state law as of the date of this document. Additional changes to federal or state tax laws could occur in the future that could have a significant impact on the Program and your investment or result in termination of the Program.

Federal Income Tax Treatment of Investments and Distributions

The Program is designed to constitute a “qualified tuition program” under Section 529 of the Code. Generally, earnings in the Program will not be includable in computing the federal taxable income of the Account Owner or the Student Beneficiary while held in the Account. As described in greater detail below, whether the earnings are taxed upon withdrawal depends upon how the withdrawal is used.

Qualified Higher Education Expenses

Section 529 of the Code defines “Qualified Higher Education Expenses” as tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Student Beneficiary at an Eligible Institution of Higher Education. (See the Program Master Agreement, Section I, “Definitions” for further details.) The term also includes certain amounts for room and board for Student Beneficiaries attending school at least half-time in a degree or certificate program. The amount of a Student Beneficiary’s room and board expenses that can be counted as a Qualified Higher Education Expense generally may not exceed the amount applicable to the Student Beneficiary included in the “cost of attendance” (as defined under the federal law as of June 7, 2001) at the Eligible Institution of Higher Education. In the case of a Student Beneficiary living in housing owned or operated by an Eligible Institution of Higher Education, however, the amount of room and board expenses that can be counted as Qualified Higher

Education Expenses is the greater of (a) the amount described in the preceding sentence, or (b) the actual amount charged the Student Beneficiary by the Eligible Institution of Higher Education for room and board for such period. Qualified Higher Education Expenses also include certain additional enrollment and attendance costs of special needs beneficiaries.

Qualified Withdrawals

Withdrawals used to pay for Qualified Higher Education Expenses (“Qualified Withdrawals”) will be excludable from the Student Beneficiary’s and the Account Owner’s federal taxable income. Account Owners should retain documentation such as invoices and receipts adequate to substantiate to the IRS (the “Service”) the qualifying use of such withdrawals. There are two components to such a Qualified Withdrawal: (1) return of principal and (2) distribution of earnings. Although neither component is taxable for a Qualified Withdrawal, separately accounting for such components is necessary in order to determine how much of the remaining investment in the accounts consists of earnings and how much consists of principal invested. The earnings portion of a particular withdrawal will generally be determined as of the withdrawal date. Pending guidance from the Service, it is unclear whether a withdrawal used to pay for Qualified Higher Education Expenses incurred or paid prior to the establishment of the accounts will be treated as a Qualified Withdrawal. Pending guidance from the Service, it is also unclear whether a withdrawal taken after December 31 of the year in which the Qualified Higher Education Expenses were incurred and paid will be treated as a Qualified Withdrawal. Please consult a qualified tax advisor.

Although the Service has not yet provided guidance on this issue, if amounts from a Qualified Withdrawal that were used to pay Qualified Higher Education Expenses are subsequently refunded in whole or in part to the Account Owner or the Student Beneficiary by the educational institution or other payee, the Account Owner may be required to include the earnings portion of such refund in taxable income for federal income tax purposes and pay the additional 10 percent penalty tax on such earnings. Such inclusion may not be required if the refunded amount is used to pay other Qualified Higher Education Expenses of the Student Beneficiary.

Nonqualified Withdrawals

Under Section 529, the earnings portion of withdrawals from an account other than Qualified Withdrawals (i.e., Nonqualified Withdrawals) is includable in computing the income of the Account Owner (or possibly of the Student Beneficiary if the Nonqualified Withdrawal is paid to the Student Beneficiary) for federal income tax purposes in the year in which the withdrawals are made, except for certain nontaxable transfers to an account or another Section 529 Plan as explained in more detail under “*Transfers Between Accounts of Different Designated Beneficiaries or Different 529 Plans*” below. The computation of the portion of a Nonqualified Withdrawal that is includable in taxable income is again made under a pro-rata allocation between a nontaxable return of principal and a taxable distribution of earnings.

The earnings portion of any Nonqualified Withdrawal generally

will be subject to a 10 percent IRS penalty tax. This is in addition to applicable income tax and Program penalties. The 10 percent penalty tax will not apply, however, to (a) certain withdrawals made on account of the death or disability of the Student Beneficiary and certain withdrawals made on account of a scholarship received by the Student Beneficiary to the extent such withdrawals do not exceed the amount of the scholarship (see *Section V. Refunds*), and (b) nontaxable transfers to another account or another 529 Plan as explained in more detail under *“Transfers Between Accounts of Different Designated Beneficiaries or Different 529 Plans”* below. Nonqualified Withdrawals that qualify for an exception to the additional 10 percent penalty tax, other than nontaxable transfers to an account or other 529 Plan, are still subject to applicable federal income tax. A “financial hardship” would not entitle Account Owner to any special treatment under federal tax laws or to any exemption from the additional 10 percent federal penalty tax. As noted above, Account Owner would be entitled to an exception to the additional 10 percent penalty tax (but not to the imposition of applicable income tax) if Account Owner made a Nonqualified Withdrawal in the case of a Student Beneficiary who died or became disabled.

Transfers Between Accounts of Different Designated Beneficiaries or Different 529 Plans

An Account Owner may change the designated Student Beneficiary of an account or may transfer (i.e., “rollover”) an amount from one account to another account for a different Student Beneficiary, or from an account for a different Student Beneficiary under another 529 Plan (provided such rollover occurs within 60 days of the withdrawal), without the amount distributed having to be included at that time in the federal taxable income of the Account Owner or any Student Beneficiary (and without being treated as a Nonqualified Withdrawal).

In order to qualify for this tax-free treatment, a newly designated Student Beneficiary must be a “member of the family” of the current Student Beneficiary as defined in the Program Master Agreement, **Section 1, “Definitions.”**

If the new Student Beneficiary is a member of a younger generation than that of the current Student Beneficiary, a federal gift tax may apply. If the new Student Beneficiary is two or more generations younger than the current Student Beneficiary, a federal generation-skipping transfer tax may apply. This tax applies in the year in which the money is withdrawn from an account or in which the designated Student Beneficiary is changed.

Tax-free treatment is also available for a rollover from an account in another 529 Plan for the benefit of the same Student Beneficiary, provided that it has been at least 12 months since the most recent such rollover for that Student Beneficiary.

Rollover amounts from another 529 Plan generally retain their character as earnings and invested principal. Until the program receiving the rollover receives documentation from the distributing program showing the earnings portion, however, the receiving program will treat the entire amount of the rollover as earnings.

Federal Gift and Estate Taxes

Investments in accounts are considered completed gifts for federal estate and gift tax purposes. Generally, if the Account Owner dies while there is still money in his or her accounts, the value of the accounts would not be included in the Account Owner’s estate (except in the situation described below relating to the gift tax election for investments exceeding \$14,000 in any one year). However, amounts distributed on account of the death of a Student Beneficiary are included in the gross estate of that Student Beneficiary for federal estate tax purposes.

Account investments are potentially subject to federal gift tax

payable by the contributing Account Owner. Generally, if an Account Owner’s investments in an account or accounts for a Student Beneficiary, together with all other gifts by the Account Owner to the Student Beneficiary, are less than \$14,000 per year (\$28,000 per married couple), no federal gift tax will be imposed on the Account Owner for gifts to the Student Beneficiary during that year.

If an Account Owner’s investment in an account for a Student Beneficiary in a single year is greater than \$14,000 (\$28,000 per married couple), the Account Owner may elect for federal gift tax purposes to treat the investments up to \$70,000 (\$140,000 per married couple) as having been made proportionately over a five-year period. However, if the Account Owner dies before the five-year period has elapsed, the portion of the investment allocable to years remaining in the five-year period (except for earnings on such investment) would be includable in the Account Owner’s estate for federal estate tax purposes.

A withdrawal from an account, a permissible change of the designated Student Beneficiary, or a permissible transfer to an account for another Student Beneficiary will not be subject to federal gift or transfer tax, except that such a change or transfer will potentially be subject to gift tax if the new Student Beneficiary is of a younger generation than the Student Beneficiary being replaced and will potentially be subject to the generation-skipping transfer tax if the new Student Beneficiary is two or more generations younger than the Student Beneficiary being replaced.

Because investments in an account are treated as completed gifts for federal transfer tax purposes, the Account Owner may also need to be concerned about the generation-skipping transfer tax. This tax may apply to investments in excess of the amount that may be elected to be proportionately spread over the five-year period discussed above if the Student Beneficiary is deemed to be a member of a generation that is two or more generations younger than the generation of the Account Owner. In addition, as noted above, if a change is made in the designated Student Beneficiary such that the new Student Beneficiary is two or more generations younger than the former Student Beneficiary, the generation-skipping transfer tax may also be triggered.

Generally, taxpayers are eligible for a limited generation-skipping transfer tax exemption that will be allocated to transfers that are subject to generation-skipping transfer tax. Accordingly, this tax may not apply to many Account Owners and Beneficiaries. However, where it applies, it is imposed at a flat rate.

Beginning in taxable years after December 31, 2001, substantial changes have been made to the estate, generation-skipping, and gift tax rules under the 2001 Tax Act. In general, the 2001 Tax Act reduces tax rates, increases the exemption amounts, and repeals the estate and generation-skipping taxes. Account Owners and Beneficiaries should consult a qualified tax advisor regarding the specific application of these rules to their particular circumstances.

Coverdell Education Savings Accounts (ESAs)

ESAs permit deferral of federal income tax liability and possible exclusion from gross income for earnings in such ESAs. If withdrawals are made from an account and an ESA in the same year for the same Student Beneficiary in excess of qualified higher education expenses, however, the Account Owner will need to allocate Qualified Higher Education Expenses between the two programs.

The Account Owner may make contributions to accounts in the Program and to an ESA in the same year. He or she may also take a distribution of part or all of the ESA and invest it as a contribution to Program accounts. Such a distribution is considered a qualifying ESA distribution that is not subject to federal income tax.

Series EE and I Bonds

Interest on Series EE Savings Bonds issued January 1990 and later, as well as interest on all Series I Savings Bonds, may be completely or partially excluded from federal income tax if bond proceeds are used to pay certain higher education expenses at an Eligible Institution of Higher Education or are contributed to an account in the same calendar year the bonds are redeemed. For this purpose, qualifying expenses do not include the cost of books, supplies, or room and board. The amount of higher education expenses taken into account in calculating the interest excludable from income is reduced by scholarships, fellowships, and certain other forms of tuition assistance. Certain income limitations apply and the Student Beneficiary must have a specified relationship with the Account Owner. Provided appropriate documentation is furnished to the Program, the original purchase price of the bonds redeemed and contributed to an account will be added to the contribution portion of the accounts, with the interest added to earnings.

American Opportunity and Lifetime Learning Credits

A taxpayer may not claim an American Opportunity Credit or Lifetime Learning Credit for amounts withdrawn tax free from an account and used for qualified educational expenses, but may be eligible for these credits for educational expenses paid from other sources during the year.

Tax Deduction for Education Expenses

The 2001 Tax Act provides for a deduction for the payment of tuition and related expenses by taxpayers who fall within certain income limits. The deduction may not be claimed, however, for expenses that were paid from the earnings portion of a tax-free withdrawal from an account.

3. Program Information

State Guarantee

The State of Washington guarantees that if you buy 100 units today, your 100 units will equal the actual cost of one academic year of resident undergraduate tuition and state-mandated fees at the most expensive Washington public university when your child enrolls in college – regardless of how much tuition has increased over time. If you buy one unit, it will be worth 1/100 of future tuition and fees.*

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).

Program Fees

Type of Fee	Amount
Account Fees	
Enrollment Fee (non-refundable) NOTICE: Effective July 1, 2015, new enrollments are delayed for a period not to exceed two years. During this time, enrollments are only allowed to facilitate transfers of existing GET units.	\$50 per account \$100 maximum per family (If more than two accounts are opened by the same account owner for students at the same home address.)
Late Payment Fee For Custom Monthly Plans, all payments are due on the 15th day of each month. A late fee will be posted to your account if payment isn't received by the 10th day following the due date.	\$10
Dishonored Payment Fee (Automatic withdrawal, electronic payments, and checks)	\$25 or actual fee charged by the bank, whichever is greater
Refund Fees** (NOTICE: These fees are temporarily being waived for all refunds through December 15, 2016)***	
Program Refund Penalty For all refunds except in the event of death, disability, scholarship, attendance at a U.S. service academy, or graduation/completion of higher education program.	10% of earnings or \$100, whichever is greater
Account Cancellation Fee (assessed on refunds only)	\$10
Account Maintenance Fee (assessed on refunds only)	\$1.70 per month that the account was open and active****
For Organizations	
Scholarship Set-up Fee (non-refundable)	\$100 per master account
Student Account Transfer Fee Assessed each time the organization transfers units from the master account to a named student account (per student account).	\$25

* Effective September 2, 2015 the GET Payout Value will remain \$117.82 per unit until the time when one year of resident undergraduate tuition and state-mandated fees at Washington State's highest priced public university surpasses \$11,782.

** If you do not use your distribution or refund for qualified higher education expenses, any account earnings will no longer be exempt from federal taxes. You also may be required to pay a 10 percent federal tax penalty on your income tax return. We will mail a 1099-Q form to the account owner or student, depending on who received the payment.

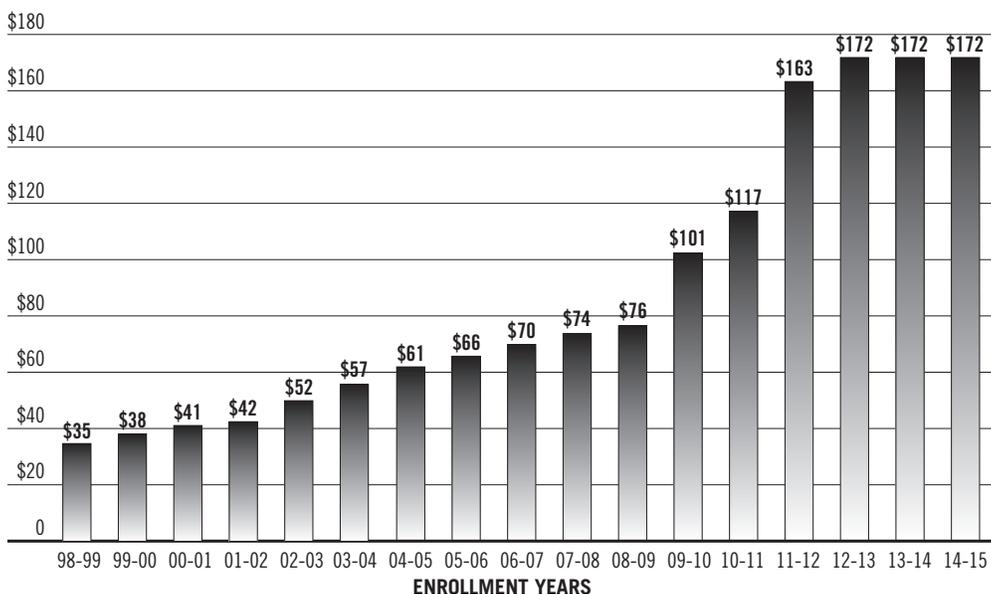
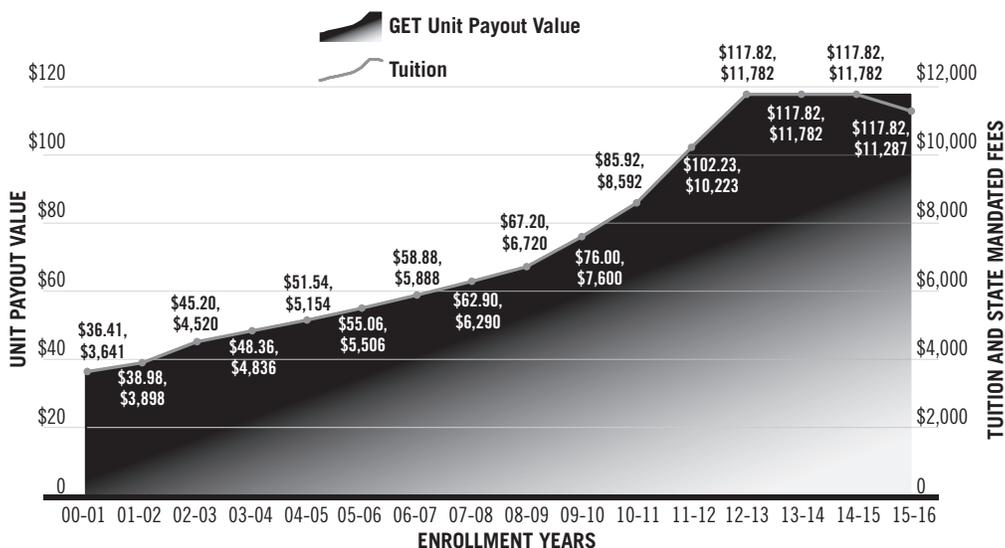
*** These fees are being waived in response to the College Affordability Program, passed during the 2015 Washington State legislative session. The GET Committee voted that, effective September 2, 2015 and through December 15, 2016, the GET program will waive all state program refund fees and the two-year hold requirement for all Account Owners.

**** This fee is calculated using the acceptance date (the date that the GET Program accepted the original application) as the starting date.

Tuition and GET Payout Value Over Time*

Effective September 2, 2015 the GET Payout Value will remain \$117.82/unit until the time when one year of resident undergraduate tuition and state-mandated fees at Washington State's highest priced public university surpasses \$11,782.

*Based on tuition and state-mandated fees at the most expensive Washington public university.



GET Unit Prices Over Time

There currently is no GET Unit Purchase Price. Effective July 1, 2015, new enrollments and unit purchases are delayed for a period not to exceed two years. Historically, the GET Unit Purchase Price has been established through a complex actuarial formula which accommodates projected tuition increases, projected investment returns, a stabilization reserve, and administrative costs.*

*From 2011 to 2015, the GET Unit Price also included an amortization amount to amortize losses from past enrollment years where increases in Tuition and Fees were greater than expected. The program's funded status has fully recovered, and this amortization amount is no longer needed. Effective August 19, 2015, the GET Committee voted to refund the amortization fee paid by account owners who have unredeemed units at a purchase price of \$163 or greater.

Using Your Units

You can use your GET units at nearly any public or private college, university, or technical school in the United States as well as 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 complete list of eligible schools in the United States and other countries, please visit the U.S. Department of Education's Free Application for Federal Student Aid (FAFSA) website (www.fafsa.ed.gov). If the college is listed, you may use your GET units to pay for expenses at that college.

We will email you information about using your units in the summer before your student will be attending college. **To use your GET account, it must have been open for at least two calendar years.** Lump Sum units must be two years old and Custom Monthly Plans must be paid in full. You can use up to 125 eligible units per academic year, plus any unused units rolled over from previous years of eligibility.

In general, the GET Program pays the college or university directly for tuition, state-mandated fees, and on-campus room and board. You also may request reimbursement from the GET Program for these and other qualified higher education expenses, if you have paid for them with your own funds on behalf of the Student Beneficiary. You are advised to retain records of these expenses for tax purposes.

Qualified Higher Education Expenses

You can use your GET units to pay any of the qualified higher education expenses in the chart below. For more information, please review IRS Publication 970 – Tax Benefits for Education. The publication is available on the IRS website (www.irs.gov) or by calling the IRS at 1.800.829.1040.

Tuition	Full-time or part-time tuition. Regular academic year or summer program. Undergraduate or graduate/professional program.
State-mandated fees	Operating, building, and services and activities fees approved by the State of Washington (Revised Code of Washington 28B.15.020 and 28B.15.041).
College-specific fees	Schools may impose their own fees, such as technology fees, library fees, recreation fees, and fees to secure repayment of bonded indebtedness. These fees are not considered state-mandated fees and, therefore, are not included when determining the GET payout value amount. However, you may use your GET units to pay these additional fees if you have extra units available after paying tuition and state-mandated fees.
On-campus/Off-campus room and board	The student must attend at least half-time. The amount cannot exceed the room and board allowance calculated by the college or university in its Cost of Attendance budget. <i>(Check with your school's financial aid office to determine its room and board allowance.)</i>
Books, supplies and equipment	The college course must require these expenses.
Computers, software and internet access	Purchase of computer or peripheral equipment, computer software, and Internet access to be used primarily by a 529 plan beneficiary while enrolled (retroactive to January 1, 2015).
Special needs	Expenses of a student with special needs that are necessary in connection with that person's higher education.

Requesting a Refund

All cancellations and refunds are made according to Internal Revenue Code Section 529, Washington State law (RCW 28B.95.110) and GET Program policies. In general, you can request a refund after units have been held for a minimum of two calendar years, with some exceptions. Please review the GET Refund and Cancellation Policy on our website for details.

To request a refund, you will need to send a signed and notarized Refund/Cancellation Request form and supporting documentation (if required) to: GET Director, P.O. Box 43450, Olympia, WA 98504-3450. We cannot accept faxed requests. Once a refund has been approved, you should receive your refund within three to six weeks.

Penalties and fees may be assessed on certain refunds. For complete details, visit our website at www.get.wa.gov or call us.

Circumstances Requiring a Two-year Waiting Period

NOTICE: THESE REQUIREMENTS ARE CURRENTLY BEING WAIVED THROUGH DECEMBER 15, 2016

- **Scholarship:** If your student receives a scholarship (or attends a U.S. service academy), you can use your GET account for other qualified higher education expenses, transfer the units to another family member, or request a refund equal to the value of the scholarship (or “cost of advanced education” in connection with the student’s attendance at a U.S. service academy). The refund amount cannot exceed 125 per academic year (plus eligible units from prior benefit use years).
- **Graduation or program completion:** If your student has remaining units in a GET account upon graduation, you can transfer those units to another family member or request a refund.
- **Non-attendance:** If your student decides not to attend college, you can transfer units to another family member, hold the units in the account for up to 10 years, or request a refund. There is a 90-day hold before processing.

Exceptions to the Two-year Waiting Period

- **Death or disability of the student:** If your student dies or becomes disabled, you can transfer units to another family member or request a refund.
- **Financial hardship:** If you lose your job or declare bankruptcy,¹ for example, you can request a refund.
- **Cancellation within three working days:** If you cancel your account within three working days after you open it, you can request a refund, including the enrollment fee.
- **Cancellation within six months:** If you cancel your account within six months after you open it, you can request a refund (except the non-refundable enrollment fee).
- **Account contributions \$500 or less:** If you have contributed \$500 or less to your account, you can request a refund (except the non-refundable enrollment fee).

¹ Special rules apply to refunds due to bankruptcy. Review the GET Master Agreement for details.

Important Dates

December 2015/ January 2016	Amortization refund checks are scheduled begin arriving in the mail to all customers who have unredeemed units purchased at a price of \$163/unit or greater.
January 2016	Account Owners will receive 1099-Q tax forms if any account distributions or refunds were made in the 2015 calendar year. Note that if the distribution or refund was made payable to the Student Beneficiary, or directly to the institution of higher education, the Student Beneficiaries will receive the 1099-Q tax form.
August 1, 2016	Up to 125 new units will become eligible for distribution for all students with a Benefit Use Year of 2016 or earlier.
December 1, 2016	The deadline for the GET Committee to report to the legislative fiscal and higher education committees on the following: the impact of reducing tuition on the funded status of GET and future unit prices; the feasibility of establishing a traditional 529 college savings program; alternatives of linking GET to tuition and fees and linking GET to a cost of attendance metric; and the current state penalty for nonqualified withdrawals.
December 15, 2016	The last day to request a penalty-free refund of your GET account. Your refund request form must be received in the GET office no later than this date (we will not accept December 15 postmarks).

Contact us

Email: GETInfo@wsac.wa.gov

Telephone: 1.800.955.2318 (toll-free) or 360.753.7803 (Olympia)

*Weekdays from 8:00 a.m. to 11:45am, and 1:00 p.m. to 4:30 p.m., Pacific Time (excluding state holidays).
Changes will be posted on our website.*

Translation service is available for customers who do not speak English.

Website: www.get.wa.gov

Mailing addresses:

For payments and certified letters

GET Program, P.O. Box 84824, Seattle, WA 98124-6124

For letters, forms and miscellaneous correspondence

GET Program, P.O. Box 43450, Olympia, WA 98504-3450

Office location:

917 Lakeridge Way SW, Olympia, WA 98502

In-person visits only – no mail delivery at this address (FedEx/UPS accepted).

Weekdays from 8 a.m. to 5 p.m., Pacific Time (excluding state holidays)

Directions are posted on our website.

4. More Resources

NOTICE: There are several temporary changes in effect for the GET Program, based on the passage of the College Affordability Program during the 2015 Washington State legislative session. Please visit the GET website for more details and for the most up-to-date information related to these changes.

Recent GET Program Changes in Response to the College Affordability Program

- Effective July 1, 2015, new unit sales and new enrollments are being delayed for a period not to exceed two years. Continued payments on Custom Monthly Plans established prior to July 1, 2015 shall be allowed.
- Effective August 19, 2015, the GET program refund the amortization fee paid by account owners who have unredeemed units at a purchase price of \$163 or greater.
- Effective September 2, 2015 the payout value for the GET program will remain \$117.82 per unit until the time when one year of resident undergraduate tuition and state mandated fees at Washington State's highest priced public university surpasses \$11,782.
- Effective September 2, 2015 and through December 15, 2016, the GET program will waive all state program refund fees and the two-year hold requirement for all account owners.
- Effective September 2, 2015 and through December 15, 2016, the GET program will permit account owners to receive a refund of their contributions or the payout value, whichever is greater.

Visit the GET Website for the Most Up-To-Date Information

Read more about GET's response to the College Affordability Program: <http://www.get.wa.gov/5954-impacts>

View the most frequently asked questions about GET (including impacts of the College Affordability Program):
<http://www.get.wa.gov/faqs>

Learn more about how GET works, and to view historical documents: <http://www.get.wa.gov/howgetworks>

See the latest news regarding GET, including announcements, press releases, and media stories:
<http://www.get.wa.gov/news>

Manage your GET account online (change personal information, see account balances, use units and more):
<https://fortress.wa.gov/wsac/getportal/SignIn>

*You can also call us toll-free at 800.955.2318
or email us at GETInfo@wsac.wa.gov.*



www.get.wa.gov

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



Washington State's
529 Prepaid College
Tuition Program



WASHINGTON STUDENT
ACHIEVEMENT COUNCIL
EDUCATION · OPPORTUNITY · RESULTS

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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