



## GET Customer Update – July 7, 2017



### Opening GET and a New Washington College Savings Program

#### Decisions made at the July 6, 2017 GET Committee Meeting

The GET Committee met Thursday, July 6 to continue conversations about reopening GET this year. At this meeting, the Committee took several actions that will allow GET to make final adjustments in response to the College Affordability Program and prepare the program to begin taking new enrollments and unit purchases by November 1 of this year.

- The GET Committee voted to reopen GET by November 1 to get the program back on its regular enrollment period schedule, and to ensure that customers could know the new GET unit price and any details about a new 529 savings plan scheduled to open in January 2018 before making a decision to enroll in GET.
- The Committee also voted to take additional actions to complete before GET can reopen.
  - First, the Committee voted to “rebase” all existing GET accounts on August 1, 2017 (the beginning of the new GET payout year). This means that current customers will receive additional units in their accounts, because the GET unit payout value will be reset to once again match tuition, as required by state law. The added units will ensure customers will not lose value in their accounts once the unit payout value is reset.
  - Because we will be adding units to customer accounts, the GET Committee also increased the unit maximums for student beneficiaries. The previous lifetime maximum was 500 units per student, and up to 125 of those units could be used each academic year, once a student began using units. Now, those maximums have increased to a total of 600 units per student and 150 units per year.
  - Learn more about the rebasing process at: [www.get.wa.gov/rebase](http://www.get.wa.gov/rebase).

- Finally, the GET Committee voted to make clarifications to the temporary non-penalty refund policy:
  - The rebasing process will not change a customer's ability to get a refund of their entire GET account at the pre-rebase \$117.82 payout value or their initial contributions (whichever is greater), without state refund penalties, until September 1, 2017, or until 60 days after a savings plan opens (whichever is later).
  - Any account refunds made during this temporary period would not include rebased units.
  - However, if a customer makes a distribution from their account to pay for school after August 1, 2017 (the day the rebasing will occur), all future refunds and distributions would be at the payout value, and that customer will no longer be able to request a contribution refund for that account.

## Washington College Savings Program

In 2016, the Legislature directed the GET Committee to explore adding a new market-based college savings plan, and to reopen GET to new enrollments and unit purchases in July 2017. College savings plans differ from GET in that the value of an account is not based on tuition but on the performance of financial markets.

The process to create the new college savings plan is nearing completion and we hope to begin offering this new option by early 2018. The state is currently in negotiations with a company who was selected to help run the new savings plan. Once negotiations are complete later this summer, we can announce what new savings options will be available.

## Other Considerations for GET Reopening

Before GET reopens to new unit purchases on November 1, the GET Committee must first set a new unit price. The Committee plans to do this at their September 13, 2017 meeting. Here is a quick overview of the unit pricing timeline:

### Typical Price-Setting Process:

- ✓ Legislature adopts budget and sets tuition policy (by June 30).
- ✓ Universities set the tuition and fees for the upcoming year (July).
- ✓ State Actuary provides GET fund analysis as of June 30 and recommends unit price range (July-August).
- ✓ GET Committee adopts new unit price, considering actuarial analysis and staff recommendations (September).
- ✓ New enrollment year begins once unit price is set (November 1).

## Stay Informed

Please continue to check our website for updates on when GET will begin accepting new enrollments and when a college savings plan may be available. If you are interested in receiving notifications and program materials once GET and the college savings plan open, please share your contact information with us at:

<http://www.get.wa.gov/materials>.