



# Program Details Booklet

2020 - 2021 Enrollment Year



Washington State's  
529 Prepaid College  
Tuition Program

## Notices

This Program Details Booklet is part of the Washington Advanced College Tuition Payment Program (Guaranteed Education Tuition Program or GET) Enrollment Kit. The Enrollment Kit consists of the Enrollment Guide, this Program Details Booklet, and the Enrollment Form.

If you are not a Washington resident, before investing, you should consider whether your or the Student's home state offers a 529 Plan that provides its taxpayers with favorable state tax and other state benefits such as financial aid, scholarship funds, and protection from creditors, that may only be available through an investment in the home state's 529 Plan, and which are not available through saving with GET. Since different states have different tax provisions, this Program Details Booklet contains limited information about the state tax consequences of investing in GET. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances.

Keep in mind that state-based benefits should be one of many appropriately weighted factors to consider when making an investment decision. In addition, you should periodically assess, and if appropriate, adjust your 529 Plan investment choices with your time horizon, risk tolerance, and investment objectives in mind.

This Program Details Booklet contains important information you should review before opening an account with GET, including the Master Agreement and information about the benefits and risks of investing. Please read it carefully and save it for future reference. Capitalized terms used in this Program Details Booklet are defined in the Master Agreement (beginning on page 6).

**Accuracy of Information in Program Details Booklet.** The information in this Program Details Booklet is believed to be accurate as of the cover date, but is subject to change without notice. No one is authorized to provide information that is different from the information in the most current form of this Program Details Booklet.

**Other Important Information.** 529 Plans are intended to be used only to save for Qualified Higher Education Expenses. GET is not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. In addition, GET is not designed to help you reach your K-12 Tuition or Education Loan Repayment savings goals. Taxpayers should seek tax advice from an independent tax advisor based on their own particular circumstances.

The Washington Student Achievement Council administers the GET Program while the Washington State Investment Board oversees its investments. The Committee on Advanced Tuition Payment and College Savings, commonly referred to as the WA529 Committee, governs the program.

**WA529 COMMITTEE MEMBERS**

**Michael Meotti, Chair**  
Executive Director, Washington Student Achievement Council

**Duane Davidson**  
State Treasurer

**David Schumacher**  
Director, Office of Financial Management

**Linden Rhoads**  
Citizen Member representing business community

**Touk Sinantha**  
Citizen Member representing program participants

**GET ADMINISTRATION**

**Lucas Minor**  
Director of College Savings Plans, Washington Student Achievement Council

## Table of Contents

*Getting Started*..... 4

*Summary*.....5

*Master Agreement*..... 6

*Prices and Fees*..... 23

*Your Account*.....26

*Important Risks You Should Know About* ..... 28

*Federal Tax Information* .....30

*GET Operations and Administration*.....33

*More Resources*..... 38

## Getting Started

Getting started with GET is easy. Just follow these steps:

1. Read this Program Details Booklet in its entirety and save it for future reference. It contains important information you should review before opening an Account, including the Master Agreement and information about the benefits and risks of investing.
2. Gather your information:
  - a. Your Social Security number
  - b. Your permanent address
  - c. Your Student's Social Security number and date of birth
  - d. Your email address
  - e. Your checking or savings account number and your bank's routing number  
(if you want to contribute electronically with a bank transfer)
3. Go online to [get.wa.gov](http://get.wa.gov) and click on "Start a GET Account." The easy-to-follow steps will guide you through the enrollment process. Enrolling online is fast, convenient, and secure, and there is no enrollment fee. In as little as 15 minutes, you can be signed up and saving for college. Or, if you prefer, you can complete and mail the Enrollment Form included in the Enrollment Kit, which you can download or request a hard copy of from the GET website (note that we charge a \$50 enrollment fee for paper applications).

**Remember:**  
**Enrollment is open from November 1, 2020 to May 31, 2021.**

# Summary

This Program Details Booklet provides you with important information that can help you decide whether to open a Guaranteed Education Tuition Program (GET or the Program) account. You can find the key terms used throughout this Program Details Booklet in Section II of the Master Agreement. This Summary provides highlights of the features of GET and tells you where you can find more information about each topic.

## ABOUT GET

Guaranteed Education Tuition (GET) is a prepaid 529 Plan designed to help Washington families save for college in a tax-advantaged way. GET allows you to prepay for future college Tuition and State-Mandated Fees. You can also choose to use your savings to pay for room and board, books, computers, or other Qualified Higher Education Expenses.

## 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 Washington's most expensive public university when your Student uses those Units to pay for college expenses, regardless of how much Tuition and State-Mandated Fees have changed over time. This means that if you buy one Unit, it will be worth 1/100 of future Tuition and State-Mandated Fees. The guarantee is backed by the full faith and credit of the State of Washington. GET is one of only a few state prepaid college tuition plans in the country with a guarantee in state law (*see RCW 28B.95.050*). Note that the value of 100 Units is based on resident undergraduate Tuition and State-Mandated Fees but does not guarantee resident status to the student.

## WHAT'S INSIDE

### Master Agreement (p. 6)

The Master Agreement is the agreement between you and the Program that sets out the basic terms of conditions of opening and maintaining an Account in GET. Your completed Enrollment Form includes an acknowledgment that you agree to be bound by the terms and conditions of the Master Agreement and the entire Program Details Booklet. Read it carefully before deciding whether to open an Account. The Master Agreement also contains most of the definitions of terms you will find throughout this Program Details Booklet.

### Prices and Fees (p. 23)

This section sets out the prices for this year's Enrollment Period and fees that may apply to your Account.

### Your Account (p. 26)

You can find information about opening your Account, purchasing tuition units (Units) and using your Units in the Master Agreement starting on page 6 and in the Section called Your Account starting on page 26.

### Important Risks You Should Know About (p. 28)

While GET offers a guarantee, every financial product comes with risks. This section will outline some of the key risks associated with saving in a GET account.

### Federal Tax Information (p. 30)

As a 529 Plan, GET offers federal tax benefits, including tax-deferred earnings. Any earnings are free of federal income tax when used toward Qualified Higher Education Expenses. If you take a Nonqualified Refund, any earnings are subject to federal and applicable state income taxes and may be subject to an additional 10% federal tax penalty (Distribution Tax).

### GET Operations and Administration (p. 33)

The Washington Student Achievement Council administers the GET Program; the Committee on Advanced Tuition Payment and College Savings (Committee) governs the Program; and the Washington State Investment Board (WSIB) oversees the Program's holdings. This section discusses how we administer the Program, actuarial reviews and reports, and auditing of the Program. In addition, you will learn more about key events in GET operations.

# Master Agreement

## 2020-2021 MASTER AGREEMENT

### I. ABOUT THIS AGREEMENT

This Master Agreement describes the basic terms and conditions of the Washington Guaranteed Tuition Program (GET or Program) as authorized by Chapter 28B.95 RCW (Enabling Legislation). The completed 2020-2021 Enrollment Form includes an acknowledgement that you agree to be bound by the terms and conditions of this Master Agreement and entire Program Details Booklet. The completed Enrollment Form and this Program Details Booklet are considered a part of your agreement with the Program (collectively called the Agreement). All of these components constitute the entire Agreement between you and the State. You should retain a copy of this Agreement, any updates to this Agreement and your Account Statements for your records. The Enabling Legislation, regulations, and any guidelines we adopt will be available for inspection at the GET offices. You or any other interested party may receive a copy of the Enabling Legislation and the Agreement by contacting GET.

This Agreement is not a promise or a guarantee that: (1) the Student will be admitted to any Eligible Institution or accepted into an Apprenticeship Program; (2) the Student will be allowed to continue enrollment at any Eligible Institution or participation in the Apprenticeship Program after admission; (3) the Student will be graduated from any Eligible Institution or complete any Apprenticeship Program; (4) the Student will be classified as an in-state student by any Washington public college or university; (5) the Student will receive any particular treatment under any applicable state or federal financial aid programs; and/or (6) the Student's Tuition and State Mandated Fees at any Eligible Institution will be covered in full for the number of Units purchased under this Agreement unless the Student attends a State Institution of Higher Education that determines the Student to be a Washington resident, as applicable, and all of the terms and conditions of this Agreement are satisfied.

**Before you enroll in GET, we advise you to seek the advice of investment, legal and tax professionals to ensure that GET is appropriate for you and your needs.**

### II. DEFINITIONS

The following Terms used in this Master Agreement, the Program Details Booklet, and the Enrollment Form have the meanings set forth below:

- A. **529 Plan** means a qualified tuition program within the meaning of Section 529 of the Code.
- B. **ABLE Rollover Distribution** means a distribution to an account in a Qualified ABLE Program for the same Student or a Member of the Family of the Student. Any distribution must be made before January 1, 2026 and cannot cause the amount contributed to the account in the Qualified ABLE Program to exceed the annual contribution limit prescribed by Section 529A(b)(2)(B)(i) of the Code.
- C. **Academic Year** means the regular nine-month, three quarter or two semester period annually occurring between August 1st and July 31st.
- D. **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 Student under an Agreement.
- E. **Account Owner or you** means the individual, partnership, corporation, trust, estate, association, organization, or other legal 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 (TIN) or Employer Identification Number (EIN)). An individual Account Owner must be a U.S. citizen or resident alien. If the Account Owner is a minor (as determined by relevant state law), either (i) a Custodian must be named if the Account is funded from the proceeds of an UGMA/UTMA account or (ii) a Guardian must be named for all other Accounts.
- F. **Account Owner Survivor** means an individual or legal entity authorized by the Account Owner to take control of an Account upon the death or incapacity of the Account Owner.
- G. **Actuarial Soundness** means funding, as determined by an actuary, that is sufficient to pay future obligations of the program without the need for state appropriations. The actuarial assumptions that help inform the

Committee when we set the Unit Purchase Price incorporate 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 State-Mandated Fees.

- H. **Agreement** means the legally binding contract between the State and the Account Owner in favor of the Student resulting from our acceptance of your Enrollment Form and payment for the purchase of Tuition Units.
- I. **Apprenticeship Program** means an apprenticeship program registered and certified with the U.S. Secretary of Labor under section 1 of the National Apprenticeship Act (29 U.S.C. 50).
- J. **Authorized Representative** means the individual authorized to act on behalf of a partnership, corporation, estate, association, organization, government entity or other legal entity.
- K. **Benefit Use Year** means the year the Account Owner may begin the distribution of eligible Units for the benefit of the Student.
- L. **Blocked Account** means an Account that has use restrictions (usually, the Account Owner is a minor and the Account is restricted because of a court order). In most cases, no funds may be distributed without a court order or until the minor reaches the age of majority or is otherwise emancipated.
- M. **Code** means the Internal Revenue Code of 1986, as amended.
- N. **Committee** means the Committee on Advanced Tuition Payment and College Savings which governs the Program and DreamAhead.
- O. **Custodian** The individual who opens an Account on behalf of a minor Student with assets from an UGMA/UTMA account. Generally, the Custodian will be required to perform all duties of the Account Owner with regard to the Account until the Account Owner (who is also the Student) attains the age of majority, is otherwise emancipated, or the Custodian is released or replaced by a valid court order. The Custodian of an Account funded from an UGMA/UTMA account may not change the Account Owner/Student.
- P. **Custom Monthly Payment Plan** means a plan selected during the Enrollment Period for the purchase of 50 to 800 Tuition Units over a period of 1 to 18 years. A Custom Monthly plan locks in the current Unit Purchase Price, but monthly payments include a finance charge, payment processing fee and an interest adjustment. These charges are further described on page 24 in the *Prices and Fees* section.
- Q. **Distribution** means payment by the Program to the Student's Eligible Institution toward the cost of Qualified Higher Education Expenses and/or reimbursement to the Account Owner or Student, if authorized by the Account Owner.
- R. **Distribution Tax** means the 10% federal tax penalty applied to earnings on Nonqualified Refunds.
- S. **DreamAhead** means Washington's 529 college savings plan, known as the Washington College Savings Program, and commonly referred to as the DreamAhead College Investment Plan, as authorized by Chapter 28B.95.032 RCW. The Committee also governs DreamAhead.
- T. **Education Loan Repayment** means amounts paid as principal or interest on any Qualified Education Loan, of a Student or a sibling of a Student (up to a lifetime \$10,000 limit per Student or sibling of a Student). For this specific purpose, a sibling is defined as a brother, sister, stepbrother or stepsister, as described in section 152(d)(2)(B) of the Code. For purposes of defining a sibling, the terms "brother" and "sister" include half-brothers and half-sisters and a legally adopted child or a foster child of an individual is treated as the child of that individual by blood. You cannot claim a federal income tax deduction for interest paid on a Qualified Education Loan if you treat it as an Education Loan Repayment.
- U. **Eligible Institution** 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.
- V. **Family Member** means an individual as defined in Section 529(e)(2) of the Code. Generally, this definition includes a Student's immediate family members. A Family Member means an individual who is related to the Student as follows: a son, daughter, stepchild, or a descendant of any such person; a brother, sister, stepbrother, or stepsister; the father or mother, or an ancestor of either; a stepfather or stepmother; a son or

daughter of a brother or sister; a brother or sister of the father or mother; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; the spouse of the Student or the spouse of any individual described above; or a first cousin of the Student. For purposes of determining who is a Family Member, a legally adopted child or a foster child of an individual is treated as the child of that individual by blood. The terms “brother” and “sister” include half-brothers and half-sisters.

- W. 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.
- X. 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.
- Y. Gifto**r means an individual authorized by the Account Owner to make Gift Contributions to an Account. Any person making a Gift Contribution will not have any title to or rights under the Account established pursuant to this Agreement.
- Z. Guardian** means an adult authorized to make decisions on an Account owned by a minor Account Owner.
- AA. Information Release Person** means an individual other than the Account Owner who is authorized to receive limited Account information. The Program cannot release personal information regarding the Account including the Account Owner’s Login ID and password to the Information Release Person.
- BB. K-12 Tuition** means expenses for tuition, as defined in the Code, in connection with enrollment or attendance at an elementary or secondary public, private or religious school.
- CC. Lump Sum Plan** means a plan for the purchase of 1 to 800 Tuition Units at the Unit Purchase 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 Purchase Price in effect for the date each payment is received by the Program.
- DD. Master Scholarship Account** means an Account opened by an Organization for the purposes of awarding Tuition Units as scholarships.
- EE. Maximum Account Balance:** The maximum aggregate balance of all accounts for the same Student in 529 Plans sponsored by the State of Washington, as established by the Committee, from time to time, which, if reached, will limit the amount of additional contributions that may be made to Accounts for any one Student, as required by Section 529 of the Code. The current Maximum Account Balance limit between GET and DreamAhead is \$500,000. However, no Student designated on a GET Account or multiple GET Accounts may be the beneficiary in the aggregate of more than 800 Tuition Units.
- FF. Nonqualified Refunds** means all Distributions that are neither Qualified Refunds, Refunded Distributions nor Rollover Distributions.
- GG. 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.
- HH. Program** or **GET** means the Washington Advanced College Tuition Payment Program.
- II. Program Refund Penalty** means a penalty charged by the Program for a Nonqualified Refund in an amount of 10% of the earnings on an Account or \$100, whichever is greater.
- JJ. Qualified ABL**E Program means a program designed to allow individuals with disabilities to save for qualified disability expenses. Qualified ABL Programs are sponsored by states or state agencies and are authorized by Section 529A of the Code.
- KK. Qualified Education Loan** means a loan to pay certain higher education expenses as defined in Section 221(d) of the Code.
- LL. Qualified Higher Education Expenses** means eligible education expenses in connection with a Student’s attendance at an Eligible Institution within the meaning of Section 529 of the Code. Generally, these expenses include: (1) tuition, fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Student at an Eligible Institution; (2) the costs of room and board (subject to certain limits) during any academic period during which the Student is enrolled at least half-time at an Eligible Institution; (3) expenses for special needs services for a special needs Student that are incurred in connection with that student’s enrollment or attendance at an Eligible Institution; (4) the purchase of computer or peripheral equipment, computer software, or Internet access and related services to be used

primarily by a Student while enrolled at an Eligible Institution; and (5) fees, books, supplies, and equipment required for the participation of a Student in an Apprenticeship Program. Federal law also includes K-12 Tuition (up to an annual \$10,000 limit) and Education Loan Repayments, though GET is not designed to accommodate such expenses. We do not determine what is considered a Qualified Higher Education Expense and recommend saving receipts.

**MM. Qualified Refunds** means (1) refunds made because the Student received a scholarship, provided that the scholarship is greater than or equal to the amount distributed; (2) refunds made because the Student attended a U.S. service academy, provided that the “cost of advanced education,” (as defined in section 2005(d)(3) of title 10 of the Code) is greater than or equal to the amount distributed; (3) refunds made as a result of the Student’s death or disability; or (4) refunds resulting from the use of American Opportunity and/or Lifetime Learning Credits as allowed under federal income tax law.

**NN. Refund** means Qualified Refunds and Nonqualified Refunds.

**OO. Refunded Distribution** means a Distribution which is later refunded by the Eligible Institution and re-contributed to a 529 Plan that meets the following requirements:

1. The re-contribution must not exceed the amount of the refund from the Eligible Institution;
2. The re-contribution must not exceed the amount of distributions previously taken to pay the Qualified Higher Education Expenses of the Student;
3. The re-contribution must be made to an account in a 529 Plan of the same Student to whom the refund was made; and
4. The funds must be re-contributed to a 529 Plan within 60 days of the date of the refund from the Eligible Institution.

A Refunded Distribution will not be subject to federal income tax or the Distribution Tax.

**PP. 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 State-Mandated Fees.

**QQ. Rollover Distribution or Rollover** means a transfer of assets between 529 Plans for the same Student, provided another rollover or transfer for the same Student from any other 529 plan has not occurred within the previous 12 months; or to an account for a different Student, provided that the receiving Student is a Family Member of the original Student.

**RR. 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.

**SS. State** means the State of Washington.

**TT. State Institution of Higher Education** means a public college or university in the State of Washington, as defined in RCW 28B.10.016.

**UU. Student** means the beneficiary for whom Tuition Units will be distributed for attendance at an Eligible Institution. Students must have a valid Social Security Number (or TIN).

**VV. Trust Account** means an Account opened by a previously established trust.

**WW. Trustee** means the individual authorized to act on behalf of a Trust Account. The Trustee listed on a Trust Account must match the information on your trust documentation. You may only name one Trustee on your Trust Account, though you may list others as Information Release Persons.

**XX. Tuition and State-Mandated 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. Statute does not consider these fees state-mandated fees and, therefore, these fees are not covered in the Unit Payout Value amount.

- YY. Tuition Unit or Unit** means 1/100th of the highest resident undergraduate Tuition and State-Mandated Fees of the four-year State Institutions of Higher Education for the Academic Year of distribution.
- ZZ. UGMA/UTMA** refers to the Uniform Gift to Minors Act and the Uniform Transfers to Minors Act. Washington State has enacted its version of the Uniform Trust for Minors Act (UTMA), other states have enacted their versions of the Uniform Gift to Minors Act (UGMA), and the laws governing these UGMA and UTMA accounts differ from state to state. GET accounts may be funded from UGMA or UTMA accounts. The funding account (UGMA or UTMA) will be governed by the state where the account is established. Before you fund from a UGMA or UTMA account, you should consult a tax advisor regarding the rules applicable to the UGMA or UTMA account that will be used to fund your GET account.
- AAA. Unit Payout Value** means one percent of the highest resident undergraduate Tuition and State-Mandated Fees at four-year State Institutions of Higher Education for the Academic Year at the time of Distribution. We know the Unit Payout Value at the beginning of each Academic Year after the State Institutions of Higher Education 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.
- BBB. Unit Purchase Price** means the cost to purchase one Tuition Unit. We set this price prior to the beginning of each enrollment period and may adjust it once annually to ensure the Program's Actuarial Soundness. We determine Unit Purchase Prices based on an actuarial formula. See *IV.D. Pricing of Tuition Units* on page 14 of this Agreement and *Prices and Fees*, beginning on page 23 for specific details on how we set the Unit Purchase Price.
- CCC. Unredeemed Units** mean Tuition Units that remain in an Account that have not been distributed or refunded.
- DDD. We, Our, or Us** means the GET Program, the Committee, and the WSIB, as applicable.
- EEE. WSIB** means the Washington State Investment Board.

### III. OPENING AN ACCOUNT

#### A. Submitting an Enrollment Form

- 1. Completed Enrollment Form.** You must complete the Enrollment Form you submit to us according to the Enrollment Form instructions. A valid email address is required to access your Account online and receive Program communication (see *Notices and Communications* on page 27). We require a separate Enrollment Form for each Student. You must complete the Enrollment Form online by midnight on the last day of the Enrollment Period or postmark the Enrollment Form by the last day of the Enrollment Period for us to process your Enrollment. Either You or the Student must be a resident of the State of Washington at the time you submit the Enrollment Form. For purposes of opening an Account, we define a resident as an individual whose permanent legal residence is Washington State. This includes military personnel who reside out-of-state but list Washington as their home of record in their military files. We will reject incomplete or improperly completed Enrollment Forms, or may return them to you for proper completion. You must return the properly completed form before May 31 each year to meet that year's enrollment deadline.
- 2. Initial Payment.** You must send the payment for the non-refundable enrollment fee with each paper Enrollment Form (see *Program Fees* on page 25). We will waive your enrollment fee if you enroll in GET online. If you are enrolling in the Lump Sum Plan, you must purchase a minimum of one Tuition Unit within the enrollment year in which you complete your Enrollment Form or your Account may be cancelled at our discretion. If you are enrolling in the Custom Monthly Payment Plan, your first payment will be due 15-45 days from the date your Enrollment Form is accepted in good order from the program. Once we accept your Enrollment Form, you can check your online account for your first payment due date.

#### B. Enrollment Form Acceptance, Agreement

- 1. Written Confirmation by the Program.** A binding Agreement will be established once we confirm to you in writing or by email that we have accepted your Enrollment Form.

2. **Return of Enrollment Form.** If, for any reason, we do not accept your Enrollment Form we will return to you the amount of any payment made. We may reject your Enrollment form for any of the following reasons: you did not provide a valid Social Security Number (or a TIN or EIN) for the Account Owner and/or the Beneficiary; neither the Account Owner or the Beneficiary was a Washington resident at the time of enrollment; or, if applicable, you did not enclose the enrollment fee, Trust Documents, and/or a valid birth certificate.
3. **Ownership of Account.** You, as the Account Owner, will own the Account and only you may exercise rights under the Account, unless your ownership rights are transferred to an Account Owner Survivor, to the Student, or to a person or entity named in your estate documentation as described below, or pursuant to an order from a court of competent jurisdiction.
4. **Automatic Transfer of Ownership.** Your Student or other person or entity named in your estate documentation will automatically assume your rights and responsibilities under and title to your Account in the event that you die, become legally incompetent or we cannot locate you and you have not designated an Account Owner Survivor to assume control over your Account. In this case, and with proper documentation, the Student or other person or entity named in your estate documentation will become the Account Owner. If the Student is a minor, the Account will become a Blocked Account unless we receive a court order specifically stating that the Guardian may act on behalf of the Student or if we receive estate documentation identifying someone else to take control of the Account Owner's assets (see *Account Owner Survivor* definition on page 6 for further details).
5. **Voluntary Transfer of Ownership.** You may transfer ownership of or rights under the Agreement to another person to act as Account Owner only if the transfer is not prohibited by state or federal law or regulation, and we approve the transfer in writing. The new Account Owner must agree to the transfer by signing the Account Owner Change form and will thereby be subject to the terms of the Agreement. Your signature and the signature of the new Account Owner must be notarized.

**C. The Account Owner.** Only one Account Owner is allowed.

1. **Qualifications.** To own an Account, you must meet the following qualifications (as applicable):
  - a. **Individual Account Owners.** Individual Account Owners must be U.S. Citizens or resident aliens and provide their date of birth and a valid Social Security Number (or TIN). In certain cases, we may accept other documentation.
  - b. **Minor Account Owners.** For a minor Account Owner, an adult must sign the Enrollment Form and certify that the adult will serve as Guardian or Custodian, as applicable, under the Agreement.
  - c. **Account Owners that are not Individuals (except Trust Accounts).** If an entity is the Account Owner, a legally Authorized Representative of the entity must sign the Enrollment Form. The Authorized Representative must sign all Program forms. Only one Authorized Representative is allowed. You must notify us in writing if the Authorized Representative changes.
  - d. **Trust Accounts.** A trust must be previously established before opening a Trust Account. We require the following at the time of enrollment for all Trust Accounts: official trust documents showing full legal name, TIN, Trustee name(s), and their notarized signatures. Only one Trustee may be authorized to act on behalf of an Account; others may be listed as Information Release Persons. No Distributions may be made from Trust Accounts until we receive all required documentation.
  - 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 us 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.** You maintain complete control of the Account for the life of this Agreement. Only you may request Account changes, Distributions, Refunds or cancellations. We will direct all official notices only to you, unless you request otherwise in writing. Your Student has no control over your Account, unless that student is the Account Owner.

3. **Using Funds from UGMA/UTMA Accounts.** Custodians for minors under UGMA/UTMA (see Definitions section for more information) may open an Account using funds from an UGMA/UTMA account subject to the state laws and rules governing the UGMA/UTMA account as follows:
  - a. The Student will obtain control of the Account and all rights under this Agreement upon reaching the age of majority or is otherwise emancipated. Once the minor Account Owner reaches the age of majority, the Custodian will be removed and new login information will be requested from the Account Owner. A new email and password will also be required to access the Account online.
  - b. Any and all contributions to this Account will be considered UGMA/UTMA funds, will remain an asset of the Student, and will be subject to UGMA/UTMA restrictions. You should open a separate Account if you prefer to keep new contributions free from these restrictions.
  - c. We will not be liable for any consequences related to a Custodian's improper use, transfer, or characterization of UGMA/UTMA or other custodial funds.
  - d. You cannot name an Account Owner Survivor for 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.** We will accept a power of attorney. You must notify us when the rights granted pursuant to 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, this Agreement must designate, as Student of this Agreement, a Student who has a valid Social Security Number. The Student does not need not be related to you. There is currently no age restriction for the Student although you must provide the Student's date of birth. The Student may be the same person as the Account Owner.
2. **Scholarship Programs.** An Organization opening a Master Scholarship Account does not need to designate a Student at the time of enrollment. See the Program Master Scholarship Policy on the GET website or contact us for more details.
3. **Change of Student.** For any reason during the Agreement term you may, by written request or online form, designate a new Student, who must be a Family Member of the previously designated Student. Neither you nor your Student may receive payment or other consideration in connection with this change. We may require a court order to change or disallow changes of the Student for Blocked Accounts.
4. **Designation of the Benefit Use Year.** You must designate a Benefit Use Year for your Student. The Student may not use Units until this date or later. Changing this date affects the accumulation of eligible Units and we only allow you to change this date in certain circumstances. Please contact us for more information.

### IV. PURCHASING TUITION UNITS

#### A. Annual Enrollment Period

1. We generally announce a new Enrollment Period annually. You may submit Enrollment Forms to open a new Lump Sum Plan or Custom Monthly Payment Plan only during an Enrollment Period. However, you may enroll a newborn through the date of the child's first birthday (see **Section IV.C.5** of this Agreement on page 14). You may make additional Lump Sum Plan purchases and Giftors can make Gift Contributions to existing Accounts at any time, including outside of an Enrollment Period.
2. The terms and features of GET in subsequent Enrollment Periods may differ from the terms and features described in this Master Agreement. We make no representation or assurance that there will be additional Enrollment Periods, or that Enrollment Periods will take place annually. We may limit the number of Tuition Units that may be purchased in any given Enrollment Period, current or subsequent, although there are currently no plans for any such limits. We may change the terms and features of any Enrollment Period as necessitated by alterations to state law (see *Chapter 28B.95 RCW*).

## B. Number of Tuition Units

1. **Minimum Purchase.** For Lump Sum Plan Accounts, the minimum purchase is one Tuition Unit. For each new Lump Sum Plan Account, you must purchase at least one Tuition Unit within the same enrollment period in which you completed your Enrollment Form, or your Account may be cancelled at our discretion. For Custom Monthly Payment Plan Accounts, you must select between 50 and 800 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 800 Tuition Units. All Units in Accounts for the same Student count towards the state's Maximum Account Balance limit. All accounts for the same Student under all Qualified Tuition Programs sponsored by the State (currently GET and DreamAhead) are counted toward the Maximum Account Balance regardless of the Account Owner. If a contribution is made to an Account that would cause the aggregate value of all GET and/or DreamAhead accounts for the same Student to exceed the Maximum Account Balance, the entirety of the contribution amount will be returned to you or the contributor, as applicable.
3. **Overpayments.** If a Custom Monthly Payment Plan is paid-in-full and we receive additional payments, we will do the following:
  - a. Overpayments of \$100 or less – We will NOT notify you and will automatically apply the overpayment to purchase Lump Sum Units.
  - b. Overpayments of more than \$100 – We will notify you that the payment was received and you 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, we will return the payment to the Gifto.

If you do not respond within 14 days, we will post the funds as a Lump Sum Unit purchase. If the total Tuition Units in your Account exceed 800, we will return the excess amount to you (or Gifto if the overpayment was a gift). We will return funds no sooner than two weeks after their receipt.

## C. Purchase Options

1. **General.** You can purchase Tuition Units under the Lump Sum Plan, the Custom Monthly Payment Plan, or a combination of the two.
2. **Lump Sum Plan.** You may choose to purchase Tuition Units covered by the Agreement in one Lump Sum payment at the time of enrollment. You may purchase additional Tuition Units by Lump Sum Plan at a later time at the price in effect for the time of purchase of those Tuition Units. We generally post payments to your Account on the date that we receive the payment. Once you establish an Account, you may make Lump Sum Plan purchases at any time during the year at the purchase price in effect at the time of payment. You may not add a Custom Monthly Payment Plan to an existing Lump Sum Plan Account. To add a Custom Monthly Payment Plan, you must complete a new Enrollment during an open Enrollment Period. The Custom Monthly Payment Plan is subject to the pricing in effect at the time you submit the properly completed online Enrollment or Enrollment Form.
3. **Custom Monthly Payment Plan.** You may choose to purchase Tuition Units by making monthly payments under a Custom Monthly Payment Plan. You 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 for Custom Monthly Payment Plans opened on or after November 1, 2019 include a five and one-half percent (5.5%) finance charge per annum for the life of the payment plan, as well as a small interest adjustment amount, rounded to the next whole dollar amount. You may set up your Custom Monthly Payment Plan for 1 to 18 years in duration. See page 24 in the *Prices and Fees* section of this Program Details Booklet for the monthly payment amounts associated with each Custom Monthly Payment Plan option. You may make payments through payroll deduction or automatic monthly withdrawal; or, upon request, we will provide you with a coupon book. Each monthly installment payment will be due on the monthly due date, even if you have not received your 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 that apply to your Account for the payment term of your Agreement. Custom Monthly Plan payment terms may be shortened to reduce

finance charges, with some restrictions. Please contact us for more information, including information regarding your particular circumstances.

You may request to modify your Custom Monthly Payment Plan by completing an Account Change Request. You may reduce or increase the total payment term of your Agreement in whole year multiples, reduce the total number of Units purchased over the life of the contract in 50 Unit multiples, or convert the Custom Monthly Payment Plan to a Lump Sum Plan. 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 since the due date of the first monthly payment. For example, for a Custom Monthly Plan that has already been open for two years and seven months, you could not reduce the payment term to be less than three years. This option may reduce the total finance charges paid. You may increase the number of Units in a Custom Monthly Payment Plan only during the same open Enrollment Period. Following that Enrollment Period, to add Units in a Custom Monthly Payment Plan for your Student, you must open a new Account during any new open Enrollment Period. In addition, the new Units are subject to the Custom Monthly Payment Plan pricing in effect at the time you submit the properly completed Account Change Request Form. A Custom Monthly plan that has been paid in full may not be converted to a Lump Sum plan.

4. **Combination Purchases.** You may choose to purchase Tuition Units by Lump Sum purchase and purchase other Tuition Units under a Custom Monthly Payment Plan.
5. **Newborn Enrollment.** You may enroll newborns from birth to the date of their first birthday at any time during the year. If outside of the regular Enrollment Period, 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. We will not process and may return Enrollment Forms that are incomplete and/or received without the official birth certificate copy. Any payment you submit will purchase Units at the price in effect at the time we receive the properly completed Enrollment Form and birth certificate. If we have not set the Unit Purchase Price when we receive your payment, your payment will purchase Units at the new Unit Purchase Price, once established.

#### D. Pricing of Tuition Units

1. **Annual Determination.** For each year, we will use actuarial methods to inform Unit Purchase Price decisions for Tuition Units purchased during that year which may include a premium over current Tuition and State-Mandated Fees. The price for Tuition Units purchased through an individual Custom Monthly Payment Plan will not change from year to year, but remains as determined at the time you enter into your Agreement with us. We set the price for Units purchased under the Lump Sum Plan annually and we may also adjust the price once during the year, if necessary, to ensure the Actuarial Soundness of the Program (see *RCW 28B.95.080*).
2. **Determination of Unit Purchase Prices.** We determine Unit Purchase Prices with the input of an actuarial formula. This formula considers the following: one percent of the present value of the projected future highest resident undergraduate Tuition and State-Mandated Fees for the four-year State Institutions of Higher Education; the administrative costs for operating the program; and ensuring the Actuarial Soundness of the Program. We round the final Unit Purchase Price down to a whole dollar amount. The actual Unit Purchase Price paid for each Unit may vary depending on the purchase payment options you choose at the time of purchase. See *Prices and Fees*, beginning on page 23, for specific details on how we set the Unit Purchase Price.

#### 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 we allow, including:
  - a. **Automatic Withdrawal Authorization.** You can select this method online during enrollment or, if you enroll by paper form, you must complete an Automatic Withdrawal Authorization form and include a voided check for verification of routing and bank account numbers;
  - b. **Personal or cashier's check;**
  - c. **Money order;**

- d. **Payroll deduction.** If you select this method, you must be employed by an entity that offers payroll deduction for GET and must complete a Payroll Deduction Authorization form provided by, or acceptable to, us; or
  - e. **Payment online through our website via an online automatic payment option.** There is a \$1 fee assessed by U.S. Bank per transaction.
2. **Methods Not Accepted.** We do not accept payments via wire transfer, cash, debit card, or credit card.
  3. **Fees.** You will be responsible for any fees charged by a bank or other entity that may apply to the payment method you select, including fees assessed on returned payments (see *IV.J. Dishonored Payments* on page 16 of this Agreement).

**F. Gift Contributions**

1. **Gift Contributions to an Existing Account.** A Gifto r may purchase additional Tuition Units or, in the case of a Custom Monthly Payment Plan, may apply a gift to current or future monthly payments covered by the Agreement. Any Gift Contribution is, together with the Tuition Units covered by the Agreement, subject to the maximum purchase amount of 800 Units. If your Account is on a Custom Monthly Payment Plan, we will apply the Gift Contribution to the payments on the Custom Monthly Payment Plan, unless we receive written instructions to purchase additional Lump Sum Units. If a Gift Contribution causes an Account balance to exceed the 800 Tuition Unit maximum, we will return the excess amount to the Gifto r.
2. **Timing of Gift Contributions.** A Gifto r can make a Gift Contribution to an Account at any time, including outside an Enrollment Period. The Tuition Unit Purchase Price posted to an Account will be the price in effect at the time we receive the payment.
3. **Purchase Price.** If a Gift Contribution purchases additional Lump Sum Units on an account, it will purchase Units at the price in effect at the time we receive the Gift Contribution. If a Gift Contribution applies to payments on a Custom Monthly Payment Plan, we will apply it at the rates established in your Agreement.
4. **Ownership of Tuition Units.** A Gifto r who makes a Gift Contribution to an Account has no ownership rights for Units purchased with that contribution. The Account Owner will solely own and retain direction for all Unit purchases added via Gift Contributions.
5. **Terms of Existing Agreement.** Gift Contribution Unit purchases will not affect the terms of your Agreement.

**G. Rollovers.** When you purchase Tuition Units, you 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, you must provide acceptable documentation showing the earnings portion of the contribution. If the documentation is not provided, we will treat the entire amount of the Rollover contribution as earnings. Rollovers may be subject to taxes and penalties on earnings, including the Distribution Tax. Please see the Federal Tax Information section of the Program Details Booklet for more information. Acceptable documentation for a Rollover includes:

1. **529 Plan Assets:** An account statement issued by the 529 Plan that shows the earnings or loss portion of your withdrawal.
2. **Coverdell Education Savings Accounts:** An account statement or documentation issued by the account custodian that shows the basis and earnings in the account.
3. **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.
4. Other documentation that we determine to be acceptable in accordance with future guidance issued by the IRS.

The IRS permits Rollovers between 529 Plans for the same Student only if it has been at least 12 months since the most recent Rollover for that Student. There is no restriction on the frequency of Rollovers between 529 Plans for different Students. You must reinvest the distribution in another 529 Plan within 60 days of the withdrawal date.

Any incoming Rollover contributions used to purchase new Units will be subject to the two-year wait requirement before any such Units may be distributed (see *V.A. Distribution of Tuition Units* on page 16 of this Agreement).

**H. Prepayment.** You may prepay any amount due under a Custom Monthly Payment Plan before the applicable

monthly due date. We will automatically apply prepayments in the following order of priority: (1) to any outstanding fees, charges, or penalties, under this Agreement; and (2) to future monthly payments in chronological order by due date. Upon a prepayment, we will not reduce the total monthly payments or the finance charge component of your Custom Monthly Payment Plan.

#### I. Failure to Pay When Due

1. **Payment Made Late.** If you make any monthly payment more than ten (10) days after the applicable monthly due date, that amount will be treated as a late payment. We will charge you a late payment fee for each late payment as described in the *Program Fees* chart on page 25.
2. **Failure to Pay.** If you do not make your initial Custom Monthly Payment Plan payment within 90 days after the first payment due date, or if your Custom Monthly Payment Plan is more than 180 days behind in payments, we may cancel your Agreement to purchase Units under the Custom Monthly Payment Plan and may automatically convert your Account to a Lump Sum Plan. We will withdraw any outstanding fees from your Account at the time of conversion.

#### J. Dishonored Payments

1. **Dishonored Payment.** If your check, automatic withdrawal or other payment 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 *Prices and Fees* beginning on page 23). We will process replacement payments made to offset dishonored payments at the Unit Purchase Price in effect at the time we received the replacement payment.
2. **Initial Payment.** If the dishonored payment represents the initial payment, we may choose not to accept the Enrollment Form or, if we had previously accepted the Enrollment Form, we 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 must occur:

1. **Lump Sum Plan.** You must hold your Units for two years after the purchase of the Unit. You must pay any outstanding fees before we can approve or process a Distribution.
2. **Custom Monthly Payment Plan.** Your Custom Monthly Payment Plan must be paid in full, there must be no outstanding fees, and your Agreement must have been in effect for two years before you may use any Units.
3. **Benefit Use Year.** The Student must have enrolled in an Eligible Institution on or after the projected Benefit Use Year set forth in the Enrollment Form. You may not change the Benefit Use Year to a date prior to the Student's enrollment in an Eligible Institution.

#### B. Running Start Program. We will reimburse actual tuition expenses charged to the Student for enrollment in the Running Start Program as defined in RCW 28A.600.300. We also will reimburse you for all non-subsidized required Qualified Higher Education Expenses.

#### C. Qualified Higher Education Expenses (QHEE). The IRS may require documentation from you and/or your Student necessary to confirm that a Distribution will be used only for QHEE, as allowed by federal tax law in effect at the time. From time to time, changes in federal law may affect the types of QHEE and Eligible Institutions for which Distributions may be used. We do not determine what is considered a QHEE and recommend that you save receipts.

#### D. Use of Tuition Units. You may use Tuition Units for Qualified Higher Education Expenses at any Eligible Institution. We do not guarantee that the value of 100 Tuition Units will cover the full amount of Tuition and State-Mandated Fees unless used at a State Institution of Higher Education.

#### E. Timing and Maximum Distribution. Unless eligible Units are available from a prior Benefit Use Year, your total Distributions may not exceed a maximum of 200 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, you must make all requests for a Distribution from your Account within 10 years after the Benefit Use Year or within 10 years

after the first distribution date for your Account, whichever is later, unless we approve your written request for an extension before that time.

**F. Request for Distribution.** We will provide you with information on making a direct Distribution or reimbursement request (as described in G. below), which may be completed either online or by paper form. We must receive your properly completed request for any Distribution at least two weeks prior to the date that you or the Eligible Institution needs to receive the Distribution, or your payment may not arrive in time. 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 we require at least two weeks prior to the expected Distribution date.

**G. Payment of Distribution**

1. **Payment to Institutions.** Except as provided in G.2. below, we will pay Distributions directly to the Eligible Institution.
2. **Reimbursement.** At your option, we can pay Distributions to you or your Student for Qualified Higher Education Expenses in the form of a reimbursement. Any reimbursement requests for payment directly to your Student must be accompanied by your notarized signature. You may request a reimbursement for the current and prior academic year, but within the current calendar year only. Reimbursements for prior calendar year Qualified Higher Education Expenses may have state and/or federal tax implications.
3. **Value of Tuition Units to be Distributed.** Tuition Units are 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 Unit Payout Value definition within this Agreement.
4. **1099-Q tax form:** Generally, if you take a Distribution, we will send to both you and the IRS a 1099-Q tax form by the end of January in the year immediately following the year in which you take the Distribution. Consult IRS Publication 970 for further information about the 1099-Q tax form.

**VI. REFUNDS**

**A. General Refund Rules**

1. We will make all Refunds in accordance with State law, including RCW 28B.95.110, Program rules and policies, and Section 529 of the Code.
2. We will pay Refunds only for 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. We may charge fees or a penalty in connection with Refunds as set forth in greater detail below. We will deduct all outstanding fees and the Program Refund Penalty from Account payments. We calculate any refund fees based on the amount of time the Account has been open, using the date that we accepted the Enrollment Form.
4. We will pay Refunds to you (or your Student, if you so specify in writing), or as otherwise described in your Agreement.
5. Subject to any further restrictions imposed by state or federal law or regulations, or Program limitations as indicated below, you must make all requests for a Refund from your Account within 10 years after the Benefit Use Year or the first Distribution date for your Account, whichever is later, unless we approve your written request for an extension before that time. If you are requesting a Refund due to a Scholarship, you must request the refund during the academic year in which the Scholarship was awarded.

**B. Request for Refund**

1. Only you, as the Account Owner, may request a Refund of amounts credited to the Account except as described within this Agreement.
2. You can request a refund online or by paper form. We may require you to include supporting documentation with your Refund request, depending on the type of request. Additionally, Refund requests submitted via paper form must be signed in the presence of a notary. All refunds are subject to

the terms of the **GET Refund/Cancellation Policy** (available on the Program website or by contacting the Program) in effect on the date of the refund request.

3. Except as specified in this Agreement, we do not allow partial Refunds.

### C. Reasons for Refunds – Penalty Fees

1. **Qualified Refunds.** We will refund Tuition Units and will not assess a Program Refund Penalty fee or refund fees for Qualified Refunds. You must submit the following documentation with Request Form:
  - a. **Death.** In connection with the death of a Student, a request must be accompanied by a copy of the Student's death certificate.
  - b. **Disability.** In connection with the disability of a Student, your request must be accompanied by appropriate documentation from a medical professional demonstrating that the Student is unable to do any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.
  - c. **Scholarship (or attendance at a U.S. service academy).** As a result of the Student's receipt of a Scholarship, your 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 200 Units per Academic Year (plus eligible Units from prior Benefit Use Years). You must request Scholarship refunds during the academic year the Scholarship is awarded. We are unable to process retroactive or cumulative Scholarship refunds. You 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, you may elect to use an amount equivalent to the Scholarship to pay for the Student's other Qualified Higher Education Expenses.
2. **Nonqualified Refunds.** We will assess a Program Refund Penalty and other refund fees on any Nonqualified Refund, unless the Nonqualified Refund is due to a Student's graduation or completion of a degree or certification.

### D. Payment of Refund

1. **Units Eligible for Refund.** For Tuition Units to be refunded, the following must occur:
  - a. **Lump Sum Plan.** You must hold your Units for two full calendar years.
  - b. **Custom Monthly Payment Plan.** Your 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 may be refunded. If your Custom Monthly Payment Plan is not paid in full, we will convert the plan to a Lump Sum Plan and refund your Units according to the Lump Sum Plan.
2. **Limits on Refunded Units.** For approved Refunds, we will refund all Units minus any Program Refund Penalty and other refund fees except refunds requested due to Student nonattendance. In this case, the Refund is limited to 200 Units per academic year. We will make the Refund no sooner than 90 days after we receive your completed Refund/Cancellation Request form and any other documentation we may require. You must complete the Refund/ Cancellation Request form each academic year for the Refund of additional Units, until all Units are refunded.
3. **Refund Amount.** We will calculate the amount of any Refund pursuant to the terms of your Agreement. We base the Refund amount paid on the current Unit Payout Value, as determined by the Committee, at the time we approve the Refund, unless otherwise required by State law. The Refund will subtract any applicable Program Refund Penalty, refund fees, or other outstanding fees or charges.

- E. **Refund Requests Due to Bankruptcy.** Certain funds held in your Account may be protected against bankruptcy. See **Creditor Protection** on page 27 in the **Your Account** section. If you request a Refund due to bankruptcy, either you or the bankruptcy trustee must provide us with a copy of the bankruptcy filing. The Units will be valued at the Unit Payout Value in effect at the time we approve the Refund. We will deduct all outstanding fees, but we will not assess a Program Refund Penalty or other penalties or fees. We will make payments as directed by the bankruptcy trustee.

- F. Refund Decision Appeal Process.** If we deny your Refund request, you may submit a letter to the Program Director within 10 days after notification, asking for reconsideration. If the Director denies reconsideration, you 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.

## VII. ROLLOVER DISTRIBUTIONS

- A. Rollovers to Other 529 Plans.** Upon submitting an Outgoing Rollover Request Form, you may transfer all assets in your Account to another 529 Plan. Based on IRS regulations, Rollovers for the same Student are restricted to one time in a 12-month period. We will pay out all Rollovers at the Unit Payout Value in effect at the time we receive your properly completed Outgoing Rollover Request form. A Rollover will not be initiated until the assets have been in your Account for at least two years.
- B. Rollovers to DreamAhead.** Under Section 529 of the Code, you can transfer assets directly between GET and DreamAhead for the same Student. GET to DreamAhead Rollovers must be for the entire GET balance. This transfer of assets would be considered a Rollover for federal tax purposes and is therefore subject to the same restrictions described above under VII.A. of this Agreement. You can initiate a Rollover of your Account to DreamAhead by logging in to your online GET Account profile. Alternatively, you can first open a DreamAhead account, then complete the DreamAhead Rollover form, available on our website. A Rollover will not be initiated until the assets have been in your Account for at least two years.
- C. Rollovers to Qualified ABL Programs.** You may transfer all assets in your Account to a Qualified ABL Program. To qualify as an ABL Rollover Distribution, you must reinvest the amount distributed from your Account into a Qualified ABL Program within 60 days of the distribution date. ABL Rollover Distributions may be subject to certain state taxes but are generally exempt from federal income taxes and the Distribution Tax. An ABL Rollover Distribution will not be initiated until the assets have been in your Account for at least two years.

## VIII. FEES/PENALTIES

We will establish fees and penalties, and will adjust those fees and penalties from time to time. The current Program schedule of fees is included on page 25, under the *Prices and Fees* section. By executing your Agreement, you agree that we have the right to deduct fees and penalties, including the Program Refund Penalty, if applicable, before we pay any Distribution or refund. This may reduce the number of Units credited to your Account.

## IX. AGREEMENT CANCELLATION

- A. Cancellation by Account Owner.** You may cancel and close your Account under the following circumstances. Account cancellations are non-reversible. **You cannot reopen or add new contributions to an Account once it has been closed.** Please also see *Federal Tax Information* beginning on page 30.
- 1. Within three working days.** You may cancel your Account after we receive your Enrollment Form and initial payment if you 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, we will return all payments to you, including the enrollment fee, if applicable.
  - 2. Within six months.** You may cancel your Account within six months after we receive the initial payment. We will return all payments to you, except the non-refundable enrollment fee and any other outstanding fees.
  - 3. Accounts with \$500 or less.** You may cancel your Account at any time, if you have paid \$500 or less into your Account. We will return all payments to you, except the non-refundable enrollment fee and any other outstanding fees.
- B. Cancellation by the Program.**
- 1.** We may cancel an Agreement immediately if: (i) you have supplied materially false or misleading information or have made a material misrepresentation on or in connection with your Enrollment Form or this Agreement; (ii) you fail to provide a valid Social Security Number for you and/or your Student within

30 days after the date of enrollment; (iii) the value of the Tuition Units held in your Account as then calculated is less than an amount we determine to be minimal; (iv) your initial payment is dishonored; or (v) you fail to comply with the terms of this Agreement (other than failure to make a monthly payment by the monthly due date) and do not correct the failure within 30 days after receiving notice of the failure.

2. We will automatically terminate your Agreement 10 years after your 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. We will notify you of your options, including your right to a refund prior to the termination of the Account. We may pay the then current value of Tuition Units under the Agreement to you as a Nonqualified Refund, after deducting the Program Refund Penalty and any other outstanding fees. A Nonqualified Refund may have significant negative tax effects (see **Federal Tax Information**, beginning on page 30).

- C. **Extension requests.** Upon notification to us, you may request a waiver to extend the time period allowed to use the Units in your Account. Any extension request will be subject to our approval, in our sole discretion. If after 10 years after the Student's Benefit Use Year, Units remain in your Account, you have not requested a Refund and/or we have made no waiver, we will attempt to locate you. If we cannot locate you after reasonable efforts, then we will comply with the requirements of the Washington Uniform Unclaimed Property Act (Chapter 63.29 RCW).
- D. **Cancellation Fees.** In the event of any full cancellation of your Agreement, we may deduct any applicable Program Refund Penalty and any other unpaid fees and charges from amounts credited to the Account and will then transmit to you, as the Account Owner, any remaining amounts on deposit.
- E. **Account Conversion.** If a Custom Monthly Payment Plan is not in good standing (no payments have been made by you for at least six (6) consecutive months and you have not made alternative payment arrangements with our office), we may convert the Account to a Lump Sum Plan Account. We will use monthly payments on a converted Account to purchase the amount of Units available at the prices in effect on each payment date. After conversion, you may only purchase Lump Sum Plan Units for that Account. Because GET was not open for new unit purchases from July 1, 2015 and October 31, 2017, any payments made during this time period would be applied at a Unit Purchase Price of \$113 (the 2017-18 Unit Purchase Price) in the event of a conversion to a Lump Sum Plan.

## X. PROGRAM TERMINATION

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

## XI. GENERAL PROVISIONS

- A. **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 Washington's most expensive public university when your Student uses those Units to pay for college expenses, regardless of how much Tuition and State-Mandated Fees have changed over time. This means that

if you buy one Unit, it will be worth 1/100 of future Tuition and State-Mandated Fees. The State does not, however, guarantee that the Unit Payout Value will exceed the Unit Purchase Price.

- B. Records.** Program records are subject to the public disclosure laws of the State (RCW 42.56.320(2)) and the exemptions from disclosure provided those laws.
- C. Washington Law Governs.** The laws of the State of Washington will govern this Agreement. You agree that venue and jurisdiction over any disputes in connection with the Program or your Agreement will be exclusively in Thurston County, Washington, Superior Court, regardless of any conflicts of laws considerations.
- D. Amendments.** We reserve the right to amend this Agreement to the extent required by law, to make technical corrections, 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, Students and the Program as determined by us in our sole discretion. This Master Agreement supersedes all previous Master Agreements.
- E. Severability.** If any court of competent jurisdiction finds any portion of this Agreement or the Enrollment Form to be invalid or unenforceable, the invalid or unenforceable portion will be severed from the Agreement or the Enrollment Form, as applicable, and the remainder of the Agreement and/or Enrollment Form will remain in full force and effect.
- F. 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.
- G. Inactive Accounts.** When an Account has a zero balance, we will close the Account, and you will no longer be able to make contributions to that Account. If your Account has been closed and you want to purchase additional Units, you must open a new Account during an open enrollment period.
- H. Unclaimed Funds.** Under certain circumstances, if we issue a check to you, your Student or an Eligible Institution, it has not been cashed, and we have not been able to contact the individual or entity to whom the check is made payable for a period of at least two (2) years, the funds will be considered abandoned according to the Washington Uniform Unclaimed Property Act (RCW 63.29.130). 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. Notarial Acts.** Some of our forms require you to sign the form in the presence of a notary to verify your identity. The notary's seal and signature must match exactly. If the notary section of a form is improperly completed, the form will be null and void and we will reject the form. If we reject the form, you will need to submit a new, properly completed form.
- J. Mailing Addresses.** We periodically match and update the addresses on record for your Account against a change of address database maintained by the U.S. Postal Service to reduce the possibility that important communications about your Account sent First Class Mail will be undeliverable.
- K. Fraudulent Activity.** We will honor instructions from any person who provides correct identifying information either online, using your user ID and password or by paper form that is duly signed and dated. We are not responsible for fraudulent transactions we believe to be genuine. Accordingly, you bear the risk of loss if unauthorized persons request a Distribution from your Account. It is your responsibility to review all Account information and to notify us promptly of any unusual activity.
- L. Account Owner's Representations and Acknowledgements.** I, as Account Owner, represent and warrant to, and acknowledge and agree with, the State and the Program regarding the matters set forth in this Agreement, including that:
  - I have carefully reviewed all information provided by the State with respect to the Program, including the Program Details Booklet included in the Enrollment Kit, and have had the opportunity to seek the advice of tax, legal and financial professionals regarding the appropriateness of GET for me.
  - I have been given an opportunity to ask questions and receive answers concerning the terms and conditions of the Program and this Agreement.

- I have been given an opportunity to obtain any additional information needed to complete my Enrollment Form and/or verify the accuracy of any information I have furnished.
- I have not, and understand that I may not rely on any representations or information regarding GET except as set forth in this Agreement.
- I cannot use my Account as collateral for any loan. I understand that any attempt to use my Account as collateral for a loan would be void. I also understand that neither the State nor the Program will lend any assets to my Student or to me.
- Except as described in this Agreement, I will not assign or transfer any interest in my Account. I understand that, except as provided under Washington law, any attempt to assign or transfer that interest is void.
- I am and my Student is either a citizen or a resident alien of the United States.
- I or my Student was a Washington resident at the time of enrollment.
- Neither the State of Washington, the Committee, the Program, any other agency of the State of Washington, nor any other counsel, advisor, or consultant retained by, or on behalf of, those entities, nor any employee, officer, or official of any of those entities (collectively, the Plan Officials) is liable for a failure of the Program to qualify as or to remain a 529 Plan, including any subsequent loss of favorable tax treatment under state or federal law.
- My statements, representations, warranties, and covenants will survive the termination of my Account.

# Prices and Fees

## 2020-2021 GET Unit Purchase Price

Annually, before the GET enrollment period begins, the Committee sets the GET Unit Purchase Price. The Office of the State Actuary (OSA) provides an analysis to help the Committee set the Unit Purchase Price. This section summarizes OSA’s pricing analysis approach and the Committee’s selected 2020-2021 Unit Purchase Price.

**Expected Costs.** The Unit Purchase Price includes an expected costs component that estimates how much the program needs to collect in order to cover future Tuition and State-Mandated Fees based on current tuition rates and adjusted for future assumed investment returns and tuition growth:

- **Investment Returns.** The OSA currently assumes the long-term annual rate of investment return is 4.75% based on WSIB’s most recent capital market assumptions and the Program’s long-term asset allocation targets (see the *Investment Plan* section starting on page 34). Actual investment returns may vary from OSA’s assumptions.

| Best Estimate Tuition Growth Assumptions |                         |
|--|-------------------------|
| Academic Year(s)                         | Expected Tuition Growth |
| 2020-2021                                | 2.4%                    |
| 2021-2029                                | 5.5%                    |
| 2029+                                    | 5.0%                    |

- **Tuition Growth Assumptions.** The OSA provided in-State tuition growth assumptions with consideration for the tuition-setting policy enacted in the 2020-2021 Washington State Operating Budget (see table to the right). Actual tuition growth may vary from OSA’s assumptions.

**Program Expenses.** The Unit Purchase Price includes an expense component that determines the amount each future unit sold should contribute to the program’s assets for the payment of future Program administrative expenses. OSA estimates this amount based on the long-term cost of administering current unredeemed units. OSA determines this estimate by dividing the present value of estimated program expenses (as provided by the Program) by the number of unredeemed units as of the program’s most recent valuation date and increases the resulting amount with one year of assumed interest at 4.75%.

**Reserve.** The purpose of the reserve component is to ensure the long-term health of the Program and reduce the chance that the Program’s future obligations will exceed its assets available to pay those future obligations. OSA’s price analysis measures the adequacy of the program’s target reserve level under several scenarios, including higher than expected tuition growth, lower than expected investment returns, and repeats of past extreme events such as the 2008 Great Recession. The Committee’s current pricing policy targets a 15% reserve that may be adjusted up or down to balance risk and affordability of Tuition Units.

**Amortization.** State law (RCW 28B.95.030(10)) directs the Committee to include an amortization component in the Unit Purchase Price when needed to increase the program’s best-estimate funded status due to unexpected past costs. The Committee did not include this component in setting the 2020-2021 Unit Purchase Price.

**Setting the Unit Purchase Price.** The Committee discusses and evaluates the information and assumptions presented in OSA’s pricing analysis. The 2020-2021 Unit Pricing Analysis included a Best Estimate Unit Purchase Price of \$137, along with a Best Estimate Range of \$129-\$147. According to the OSA, any Unit Purchase Price that falls within the Best Estimate Range is considered reasonable. After discussing the analysis, the Committee selected a 2020-2021 GET Unit Purchase Price of \$133, which was within the Best Estimate Range provided by OSA.

| 2020-2021 GET Unit Purchase Price Components  |              |
|---|--------------|
| <b>Expected Costs:</b> Covers the expected present value of the cost of future Tuition and State-Mandated Fees                      | \$116.91     |
| <b>Expenses:</b> Contributes to GET’s administrative expenses   | \$3.03       |
| <b>Reserve:</b> Covers unexpected future costs (e.g. higher than expected tuition growth or lower than expected investment returns) | \$13.06      |
| <b>Unit Purchase Price Adopted by Committee:</b> Sum of all components rounded down to the next whole dollar                        | <b>\$133</b> |
| <i>Premium above 2020-2021 Unit Payout Value of \$111.03 (effective August 1, 2020 – July 31, 2021)</i>                             | 19.8%        |

## Custom Monthly Payment Plan Components

| 2020-2021 Custom Monthly Payment Plan Contract Components*  |   |
|---|---|
| <b>Principal Amount</b><br>Calculated as the Unit Purchase Price (currently \$133) multiplied by the number of Units contracted.  | <b>Varies</b><br>(depending on contract term and number of units) |
| <b>Finance Charge</b><br>Intended to offset lost investment earnings that would otherwise have been recognized if the Units had been purchased up front. Each payment also includes a small adjustment factor to pay finance charges accrued in the three-months prior to the first monthly payment due date. | <b>5.5%/annual</b>  |

\*Future Custom Monthly Payment Plan Components are subject to change. The Committee will revisit these components following the GET Experience Study that OSA conducts every 5-6 years. OSA expects to conduct the next GET Experience Study by the end of State Fiscal Year 2021. Custom Monthly Payment Plans opened before November 1, 2019 include a 7.5% per annum Finance Charge and a \$1.54 per month Payment Processing Fee.

| 2020-2021 Custom Monthly Plan Monthly Payment Amounts |                            |                       |   |           |         |         |         |         |         |         |
|---|----------------------------|-----------------------|---|-----------|---------|---------|---------|---------|---------|---------|
|   | Projected Benefit Use Year | Contract Term (years) | Total Number of Contracted Units        |           |         |         |         |         |         |         |
|   |                            |                       | 50                                      | 100       | 150     | 200     | 250     | 300     | 350     | 400     |
|   |                            |                       | <b>50 to 400 Unit Contract Options</b>  | Fall 2039 | 18      | \$49    | \$97    | \$146   | \$194   | \$242   |
|   | Fall 2038                  | 17                    | \$51                                    | \$101     | \$151   | \$201   | \$251   | \$301   | \$351   | \$401   |
|   | Fall 2037                  | 16                    | \$53                                    | \$105     | \$157   | \$209   | \$261   | \$313   | \$365   | \$417   |
|   | Fall 2036                  | 15                    | \$55                                    | \$109     | \$163   | \$217   | \$272   | \$326   | \$380   | \$434   |
|   | Fall 2035                  | 14                    | \$57                                    | \$114     | \$171   | \$228   | \$284   | \$341   | \$398   | \$455   |
|   | Fall 2034                  | 13                    | \$60                                    | \$120     | \$180   | \$239   | \$299   | \$359   | \$418   | \$478   |
|   | Fall 2033                  | 12                    | \$64                                    | \$127     | \$190   | \$253   | \$316   | \$379   | \$443   | \$506   |
|   | Fall 2032                  | 11                    | \$68                                    | \$135     | \$202   | \$270   | \$337   | \$404   | \$471   | \$539   |
|   | Fall 2031                  | 10                    | \$73                                    | \$145     | \$217   | \$289   | \$362   | \$434   | \$506   | \$578   |
|   | Fall 2030                  | 9                     | \$79                                    | \$157     | \$235   | \$314   | \$392   | \$470   | \$549   | \$627   |
|   | Fall 2029                  | 8                     | \$86                                    | \$172     | \$258   | \$344   | \$430   | \$516   | \$602   | \$688   |
|   | Fall 2028                  | 7                     | \$96                                    | \$192     | \$288   | \$384   | \$479   | \$575   | \$671   | \$767   |
|   | Fall 2027                  | 6                     | \$109                                   | \$218     | \$327   | \$436   | \$545   | \$654   | \$763   | \$872   |
|   | Fall 2026                  | 5                     | \$128                                   | \$255     | \$383   | \$510   | \$638   | \$765   | \$893   | \$1,020 |
|   | Fall 2025                  | 4                     | \$156                                   | \$311     | \$466   | \$622   | \$777   | \$932   | \$1,087 | \$1,243 |
|   | Fall 2024                  | 3                     | \$202                                   | \$404     | \$606   | \$807   | \$1,009 | \$1,211 | \$1,413 | \$1,614 |
|   | Fall 2023                  | 2                     | \$295                                   | \$590     | \$885   | \$1,180 | \$1,475 | \$1,769 | \$2,064 | \$2,359 |
|   | Fall 2023                  | 1                     | \$575                                   | \$1,149   | \$1,723 | \$2,297 | \$2,872 | \$3,446 | \$4,020 | \$4,594 |
|   | Projected Benefit Use Year | Contract Term (years) | Total Number of Contracted Units        |           |         |         |         |         |         |         |
|   |                            |                       | 450                                     | 500       | 550     | 600     | 650     | 700     | 750     | 800     |
|   |                            |                       | <b>450 to 800 Unit Contract Options</b> | Fall 2039 | 18      | \$436   | \$484   | \$533   | \$581   | \$630   |
|   | Fall 2038                  | 17                    | \$451                                   | \$501     | \$552   | \$602   | \$652   | \$702   | \$752   | \$802   |
|   | Fall 2037                  | 16                    | \$469                                   | \$521     | \$573   | \$625   | \$677   | \$729   | \$781   | \$833   |
|   | Fall 2036                  | 15                    | \$489                                   | \$543     | \$597   | \$651   | \$705   | \$760   | \$814   | \$868   |
|   | Fall 2035                  | 14                    | \$511                                   | \$568     | \$625   | \$682   | \$738   | \$795   | \$852   | \$909   |
|   | Fall 2034                  | 13                    | \$538                                   | \$598     | \$657   | \$717   | \$777   | \$836   | \$896   | \$956   |
|   | Fall 2033                  | 12                    | \$569                                   | \$632     | \$695   | \$758   | \$822   | \$885   | \$948   | \$1,011 |
|   | Fall 2032                  | 11                    | \$606                                   | \$673     | \$740   | \$808   | \$875   | \$942   | \$1,009 | \$1,077 |
|   | Fall 2031                  | 10                    | \$650                                   | \$723     | \$795   | \$867   | \$939   | \$1,011 | \$1,084 | \$1,156 |
|   | Fall 2030                  | 9                     | \$705                                   | \$783     | \$862   | \$940   | \$1,018 | \$1,097 | \$1,175 | \$1,253 |
|   | Fall 2029                  | 8                     | \$774                                   | \$860     | \$946   | \$1,032 | \$1,118 | \$1,203 | \$1,289 | \$1,375 |
|   | Fall 2028                  | 7                     | \$862                                   | \$958     | \$1,054 | \$1,150 | \$1,246 | \$1,341 | \$1,437 | \$1,533 |
|   | Fall 2027                  | 6                     | \$981                                   | \$1,090   | \$1,199 | \$1,308 | \$1,417 | \$1,526 | \$1,635 | \$1,744 |
|   | Fall 2026                  | 5                     | \$1,148                                 | \$1,275   | \$1,403 | \$1,530 | \$1,658 | \$1,785 | \$1,912 | \$2,040 |
|   | Fall 2025                  | 4                     | \$1,398                                 | \$1,553   | \$1,709 | \$1,864 | \$2,019 | \$2,174 | \$2,330 | \$2,485 |
|   | Fall 2024                  | 3                     | \$1,816                                 | \$2,018   | \$2,220 | \$2,421 | \$2,623 | \$2,825 | \$3,027 | \$3,228 |
|   | Fall 2023                  | 2                     | \$2,654                                 | \$2,949   | \$3,243 | \$3,538 | \$3,833 | \$4,128 | \$4,423 | \$4,717 |
|   | Fall 2023                  | 1                     | \$5,169                                 | \$5,743   | \$6,317 | \$6,891 | \$7,466 | \$8,040 | \$8,614 | \$9,188 |

## Program Fees

| Type of Fee  | Amount  |
|--|---|
| <b>Account Fees</b>  |   |
| <b>Paper Enrollment Form Fee</b> ( <i>non-refundable</i> )<br>We only charge this fee for mailed paper enrollment forms. Additionally, if you open more than two Accounts for Students living at the same home address, we will waive all future enrollment fees for Students living at that address (accounts that have been refunded, canceled, or rolled over to another 529 plan are not included as eligible Accounts). | <b>Paper Enrollment Form: \$50</b><br><b>Online Enrollment Form: N/A*</b> |
| <b>Late Payment Fee</b><br>For Custom Monthly Plans, all payments are due on the 15th day of each month. We will post a late fee to your Account if we do not receive your monthly payment by the 10th day following the due date.   | <b>\$10</b>   |
| <b>Dishonored Payment Fee</b><br>(Automatic withdrawal, electronic payments, and checks)   | <b>\$25 or actual fee charged by the bank, whichever is greater</b>       |
| <b>Refund Fees</b>   |   |
| <b>Program Refund Penalty</b><br>For all Refunds except in the event of death, disability, Scholarship, attendance at a U.S. service academy, or graduation/completion of a degree or certificate.   | <b>10% of earnings or \$100, whichever is greater</b>                     |
| <b>Account Cancellation Fee</b> ( <i>assessed on Refunds only</i> )  | <b>\$10</b>   |
| <b>Account Maintenance Fee</b> ( <i>assessed on Refunds only</i> )   | <b>\$1.70 per month that the account was open and active</b>              |
| <b>For Organizations</b>   |   |
| <b>Scholarship Set-up Fee</b> ( <i>non-refundable</i> )  | <b>\$100 per master account</b>   |
| <b>Student Account Transfer Fee</b><br>Assessed each time the Organization transfers Units from the master Account to a named Student Account (per Student Account).   | <b>\$25</b>   |

*\*Prior to November 1, 2017, we charged the \$50 enrollment fee for online enrollments.*

# Your Account

## Using Your Units

You can use your Units at nearly any public or private college, university, or technical school in the U.S. 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 U.S. and other countries, visit the U.S. Department of Education's Free Application for Federal Student Aid (FAFSA) website ([www.fafsa.ed.gov](http://www.fafsa.ed.gov)). If the college is listed, you may use your Units to pay for Qualified Higher Education Expenses (QHEE) 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 Account, it must have been open for at least two (2) calendar years; Lump Sum Units must be two (2) years old and Custom Monthly Plans must be paid in full.** You can use up to 200 eligible Units per academic year, plus any unused Units rolled over from previous years of eligibility.

In general, we will pay the college or university directly for Tuition and State-Mandated Fees and on-campus room and board. You also may request reimbursement from us for these and other QHEE, already paid. You should retain records of these expenses for tax purposes.

## Qualified Higher Education Expenses

You can use your Units to pay any QHEE, as summarized in the chart below. For more information on what types of expenses are considered QHEE, please review *IRS Publication 970 – Tax Benefits for Education*. The publication is available on the IRS website ([www.irs.gov](http://www.irs.gov)) or by calling the IRS at 1.800.829.1040.

|  |   |
|--|---|
| <b>Tuition and fees</b>                        | Includes full-time or part-time tuition for the regular academic year or summer program and for undergraduate, graduate and professional degree programs. Fees can include operating, building, and services and activities fees as well as fees imposed by individual schools such as technology fees, library fees, recreation fees, and fees to secure repayment of bonded indebtedness.<br><br><i>Note: We do not use all tuition and fees to calculate the GET Unit Payout Value. We only use Tuition and State-Mandated Fees (as defined on page 9 in the Master Agreement) to determine the GET Unit Payout Value.</i> |
| <b>On-campus/Off-campus room and board</b>     | Your Student must attend at least half-time. The amount cannot exceed the room and board allowance calculated by the Eligible Institution in its cost of attendance budget.<br><br><i>Note: Check with your school's financial aid office to determine its room and board allowance.</i>  |
| <b>Books, supplies and equipment</b>           | The college course must require these expenses.   |
| <b>Computers, software and internet access</b> | Purchase of computer or peripheral equipment, computer software, and Internet access to be used primarily by a Student while enrolled.  |
| <b>Special needs</b>                           | Expenses of a Student with special needs that are necessary in connection with the Student's higher education.  |
| <b>K-12 tuition</b>                            | Tuition (up to \$10,000 annually) at elementary and secondary public, private, and religious schools. Please note that GET is specifically designed to save for qualified higher education expenses at postsecondary schools. Please consult a tax advisor.   |
| <b>Apprenticeship programs</b>                 | Certain expenses associated with apprenticeship programs registered and certified by the Secretary of Labor under the National Apprenticeship Act.  |
| <b>Student loans</b>                           | Principal and interest on certain qualified education loans. This provision applies to repayments up to \$10,000 per individual. This is a lifetime amount, not an annual limit.  |

## **Notices and Communications**

Any notices you need to send to us must 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](mailto:GETInfo@wsac.wa.gov).

We are committed to increased efficiency and reduced cost by using email communication and online processes whenever possible. Therefore, our default method of communication will be via email and/or online Account notifications. You may request paper communication by contacting us or indicating that preference in the Account profile (Email Communication Center) section of your online Account.

## **Creditor Protection**

Pursuant to Washington law, 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.

In addition, bankruptcy legislation protects certain assets in federal bankruptcy proceedings that have been contributed to a 529 plan account. However, bankruptcy protection for 529 plan assets is limited and has certain conditions. To be protected, your Student must be a child, stepchild, grandchild, or step-grandchild of the individual who files for bankruptcy protection. In addition, contributions made to all 529 plan accounts for the same Student are protected subject to the following limits:

- Contributions made less than 365 days before the bankruptcy filing are not protected.
- Contributions made between 365 and 720 days before the bankruptcy filing are protected up to \$6,425 (as adjusted for inflation).
- Contributions made more than 720 days before the bankruptcy filing are fully protected.

This information is not meant to constitute individual tax or bankruptcy advice. Please consult your own advisors concerning your individual circumstances.

## Important Risks You Should Know About

You should carefully consider the information in this section, as well as the other information in this Program Details Booklet, before making any decisions about opening an Account or making any additional contributions. We do not provide legal, financial, or tax advice. You should consult an attorney or a qualified financial or tax advisor with any legal, business, or tax questions you may have.

### **Suitability**

We make no representation regarding the suitability or appropriateness of GET for you. Other programs may be more appropriate depending upon your financial status, tax situation, risk tolerance, age, investment goals, savings needs, and the time horizons of you or your Student.

### **Internal Revenue Service Regulations Not Final.**

As of the date of this Disclosure Statement, the IRS has not issued final tax regulations regarding programs satisfying the requirements of Section 529 of the Code. In addition, we have not sought nor have we received a private letter ruling from the IRS regarding the status of GET under Section 529 of the Code. We may, in our sole discretion, determine to seek a ruling in the future.

### **Discretion of the Board**

Neither you nor your Student may direct the investment of any contribution to GET or any earnings thereon either directly or indirectly. The WSIB has the sole discretion to determine how to invest payments made for the purchase of Tuition Units. The Enabling Legislation requires the WSIB to adopt an investment policy (Investment Policy) governing the investment of Tuition Unit payments. The WSIB may, in its sole discretion, determine to amend its Investment Policy at any time, including investing in other asset types and by using additional or different managers to further diversify its investments.

### **Value of Tuition Units May Decrease**

If Tuition and State-Mandated Fees decrease, your Units may decrease in value. We measure Account values in Units where 100 units equals the cost of one year of Tuition and State-Mandated Fees at Washington's highest priced public university. We value individual Units at 1/100th of that cost. If state law or tuition policies were ever to change in the future, including changes to Chapter 28B.95 RCW, the Committee may be required to revise Program policies to ensure the Program's Actuarial Soundness while protecting Account Owners. In the event of a decrease in value of your Units, there can be no assurance, however, that the value of your Units would increase as a result of any Washington State law change or Committee action.

### **Effect of Future Law Changes**

It is possible that future changes to federal or state laws or court or interpretive rulings could adversely affect 529 Plans generally, the terms and conditions of GET, or your Units, even retroactively. Specifically, GET is subject to the provisions of and any changes to or revocation of Chapter 28B.95 RCW (see Recent Key GET Events on page 33 below for examples) and Section 529 of the Code. It is our intention to take advantage of Section 529; therefore, GET is vulnerable to tax law changes or court or interpretive rulings that might alter the application of federal and/or state taxes to your particular situation.

### **Cost of Certain Payment Plans**

GET Unit Purchase Prices are determined based on a number of factors. Specifically, the total cost of Units purchased through a Custom Monthly Payment Plan is higher than the same number of Units purchased at the same Unit Purchase Price through the Lump Sum Plan. This is because with Custom Monthly Payment Plans we have a shorter amount of time to generate earnings on your payments. With monthly payments, we do not have the full purchase price available to invest immediately, so we cannot generate the same amount of income as we would with a Lump Sum Plan. In addition, with either the Lump Sum Plan or Custom Monthly Payment Plan, your payments may total more than the current Unit Payout Value.

### **Tax Considerations**

The federal tax consequences associated with participating in GET can be complex. You should consult a tax advisor regarding the application of tax laws to your particular circumstances. See ***Federal Tax Information***, beginning on page 30.

## **Securities Laws**

The Agreement between you and the State will not be registered as securities. The interests in the Agreements have not been registered with the Securities and Exchange Commission, nor with the securities regulatory authorities of any state. In addition, the interests in the Agreements have not been registered as an investment company under the Investment Company Act of 1940.

## **Death of Account Owner**

If an Account Owner Survivor has not been named on an Account and the Account Owner dies, control and ownership of the Account will become subject to the estate laws of the state in which the Account Owner resided. If an Account Owner Survivor is a minor at the time of the Account Owner's death, then a Guardian must be named by the minor Account Owner Survivor's parent or guardian.

## **Death of Account Owner Survivor**

If the Account Owner Survivor predeceases the Account Owner and the Account Owner fails to designate another Account Owner Survivor or the Account Owner and Account Owner Survivor die simultaneously, control and ownership of the Account, upon the Account Owner's death, will become subject to the estate laws of the state in which the Account Owner resided.

## **Financial Aid**

A Student may wish to participate in federal, state, or institutional loan, grant, or other programs for funding higher education. An investment in GET may have an adverse impact on the Student's eligibility to participate in needs-based financial aid programs:

- In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of financial aid required, the U.S. Department of Education takes into consideration a variety of factors, including among other things, the assets owned by the Student and the assets owned by the Student's parents.
- For federal financial aid purposes, Account assets will be considered:
  - assets of the Student's parents, if the Student is a dependent student and the Account Owner is the parent or the Student, or
  - assets of the Student, if the Student is the owner of the Account and not a dependent student.
- Assets owned by the parent of a Student who is not a dependent are not considered for purposes of the FAFSA.
- Since the FAFSA treatment of Account assets may have a material adverse effect on your Student's eligibility to receive valuable benefits under financial aid programs, you or your Student should check:
  - applicable laws or regulations;
  - with the financial aid office of an Eligible Educational Institution; and/or
  - with your tax advisor regarding the impact of an investment in GET on needs-based financial aid programs.

## **Medicaid Eligibility**

It is unclear how local and state government agencies will treat 529 Plan assets for the purpose of Medicaid eligibility. Although there are federal guidelines under Title XIX of the Social Security Act of 1965, each state administers its Medicaid program and rules could vary greatly from one state to the next. You should check with an attorney, a tax advisor, or your local Medicaid administrator regarding the impact of an investment in GET on Medicaid eligibility.

## **GET Not Designed for K-12 Tuition or Education Loan Repayment**

We have not designed the GET Program to assist you in reaching your K-12 Tuition or Education Loan Repayment savings goals. You should consult a tax advisor and a financial advisor about saving with GET in light of your personal circumstances.

# Federal Tax Information

## **General**

This Section describes some of the federal tax considerations you should be aware of when participating in GET and is based on relevant provisions of the Internal Revenue Code of 1986, as amended (Code), proposed regulations issued by the Internal Revenue Service (IRS), relevant legislative history, and official interpretations of applicable federal law as of the date of this Program Details Booklet.

This discussion is by no means exhaustive and is not meant as tax advice. The federal tax consequences associated with participating in GET can be complex. Before you enroll in GET, you may wish to consult an independent tax advisor regarding the application of tax laws to your particular circumstances.

Some states may impose taxes and/or penalties on contributions to or withdrawals from a 529 Plan offered by other states. These penalties and taxes may, in certain cases, have the effect of offsetting some or all of the federal tax benefits discussed below.

## **Risk of Tax Law Changes**

The IRS has issued only proposed regulations and certain other guidance under Section 529. Final regulations could affect the tax considerations or require changes in the terms of GET. In addition, Congress can amend the Tax Code and eliminate the provisions of Section 529 that are now in effect.

## **Federal Tax-Deferred Earnings**

Any earnings on contributions are tax-deferred, which means your Account assets grow free of current federal income tax and are not subject to federal income tax if withdrawn to pay for Qualified Higher Education Expenses, as described below.

## **Federal Gift/Estate Tax**

If your contributions, together with any other gifts to the Student (over and above those made to your Account), do not exceed \$15,000 per year (\$30,000 for married couples making a proper election), no gift tax will be imposed for that year. Gifts of up to \$75,000 can be made in a single year (\$150,000 for married couples making a proper election) for a Student and you may elect to apply the contribution against the annual exclusion equally over a five-year period. This allows you to move assets into tax-deferred investments and out of your estate more quickly.

If you die with assets still remaining in your Account, the Account's value will generally not be included in your estate for federal estate tax purposes, unless you elect the five-year averaging and die before the end of the fifth year. If your Student dies, and assets remain in your Account, the value of your Account may be included in the Student's estate for federal tax purposes. Further rules regarding gifts and the generation-skipping transfer tax may apply in the case of withdrawals, changes of Students, and other situations. The state law treatment of gift and estate taxes varies so you should check with your tax advisor for the specific effect of federal and state (if any) gift tax and generation skipping transfer tax on your situation.

## **Transfers and Rollovers**

You can transfer assets (also known as a Rollover) for the same Student from another 529 Plan to your Account without adverse tax consequences only if no other rollovers for the Student from any 529 Plan account have occurred within the prior 12 months. You may also transfer money in your Account to another Account, or your entire account to an account in another 529 Plan (including any other 529 Plan offered by the State of Washington). Where the funds are placed in another Account or another 529 Plan account within 60 days of the withdrawal date, you may avoid incurring federal income tax or a Distribution Tax.

Changes in your Student could potentially cause gift and/or generation-skipping transfer tax consequences to you and your Student. Because gift and generation-skipping transfer tax issues are complex, you should consult with your tax advisor.

## **ABLE Rollover Distributions**

You may roll over your GET Account into a Qualified ABLE Program account within 60 days of withdrawal without incurring any federal income tax or the Distribution Tax if:

1. The rollover is to an account for the same Student; or
2. The rollover is for a new beneficiary who is a Member of the Family of the prior Student. Changes in your Student could potentially cause gift and/or generation-skipping transfer tax consequences to you and your Student. Because gift and generation-skipping transfer tax issues are complex, you should consult with your tax advisor.

### **Transfers from DreamAhead for the Same Student**

Under Section 529, you can transfer assets directly between DreamAhead and GET for the same Student. This transfer of assets would be considered a rollover for federal tax purposes and is therefore subject to the restrictions described above under Transfers and Rollovers.

### **Coverdell Education Savings Accounts (ESA)**

Generally, contributions may be made to both an ESA (defined in Section 530 of the Code) and a 529 Plan in the same year on behalf of the same Student. However, the same educational expenses cannot be claimed for tax-exempt withdrawals from both the ESA and the Qualified Tuition Program.

### **Education Tax Credits**

You and your Student, if eligible, can take advantage of American Opportunity and Lifetime Learning Tax Credits without affecting your participation in GET or its benefits. American Opportunity and Lifetime Learning Credits can be claimed in the same year that a tax-exempt withdrawal is taken from a 529 Plan provided the withdrawal is not used for the same educational expenses.

### **All Withdrawals**

Withdrawals may be comprised of: (1) principal, which is not taxable when distributed, and (2) earnings, if any, which may be subject to federal income tax. We determine the earnings portion based on IRS rules and report to the IRS and the recipient. However, we do not report whether the distribution is a Distribution, Qualified Refund, Refunded Distribution, Rollover Distribution, Nonqualified Refund or an Education Loan Repayment. You are responsible for preparing and filing the appropriate forms when completing your federal income tax return and for paying any applicable tax directly to the IRS.

### **Distributions**

If you take a Distribution of Units, your Student generally does not have to include as income any earnings withdrawn for the applicable taxable year if the total withdrawals for that year are less than or equal to the total withdrawals for Qualified Higher Education Expenses for that year minus any tax-free educational assistance and expenses considered in determining any American Opportunity or Lifetime Learning Credits claimed for that taxable year.

You, or your Student, as applicable, are responsible for determining the amount of the earnings portion of any withdrawal from your Account that may be taxable and are responsible for reporting any earnings that must be included in taxable income. You should retain documentation such as invoices and receipts adequate to substantiate to the IRS the qualifying use of your withdrawals.

The IRS has not provided guidance 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 Distribution. You should consult with your tax advisor and IRS Publication 970 for further information.

### **Qualified Refunds**

For federal income tax purposes, you, or the Student, may be subject to federal income tax on the earnings portion of a Qualified Refund. However, a Qualified Refund is not subject to the Distribution Tax.

### **Refunded Distribution**

You may avoid incurring federal income tax or a Distribution Tax if you receive a Refunded Distribution.

## **Education Loan Repayments**

You may take a withdrawal from your Account to repay a Qualified Education Loan for your Student or a sibling (defined in Section 152(d)(2)(B) of the Code) of your Student, up to a lifetime limit of \$10,000 per individual. However, if you make an Education Loan Repayment from your Account, Section 221(e)(1) of the Code provides that you may not also take a federal income tax deduction for any interest included in that Education Loan Repayment. It is important that you keep all records of your distributions. We do not separately report distributions made from your Account to repay a Qualified Education Loan for a sibling of your Student.

## **Nonqualified Distribution**

You, or the Student, as applicable, are subject to federal and state (if applicable) income tax and the Distribution Tax on the earnings portion of any withdrawal that is not exempt from tax as described above.

# GET Operations and Administration

## **Plan Governance and Administration**

### **GET Program**

The State Legislature created GET as a 529 Plan under Section 529 of the Code to provide families with an affordable, convenient way to pay in advance for the cost of college and reduce future reliance on debt. Subject to the Governor's approval, the State Legislature may amend the Enabling Legislation by passing new legislation.

As required by the Enabling Legislation, the Committee governs the Program, ensuring that participants are protected and that the Program remains financially sound. The Committee meets at least quarterly to discuss legislative activities, review Program policies and investments, and make Program decisions. Annually, the Committee sets the GET Tuition Unit Purchase Price. The Washington Student Achievement Council administers the Program, based on the Committee's direction.

The five-member Committee consists of the executive director of the Washington Student Achievement Council, the State Treasurer, the Director of the Office of Financial Management, and two citizen representatives. The State Actuary and the WSIB provide expertise and advise the Committee as needed. Committee members receive no compensation for their services to GET; however, they are entitled to reimbursement for expenses incurred in the performance of their duties. The Committee has general and fiduciary responsibility for the Program. There are vacancies on the Committee from time to time.

The Enabling Legislation also requires the Committee must determine how to reinvigorate the Program to incentivize Washingtonians to enter into Agreements and purchase Tuition Units in any year where the total annual sale of Tuition Units is less than five hundred thousand.

### **State Guarantee**

Our Agreement with you is considered a contractual obligation legally binding on the State. The State guarantees that your purchase 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 your original purchase. The State does not, however, guarantee that the Unit Payout Value will exceed the Unit Purchase Price. 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 must appropriate to the Program the amount of money necessary to cover such expenses. This means that, if future tuition increases required us 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 Program expenses. The terms of the guarantee are set forth in Chapter 28B.95 RCW.

### **Other Qualified Tuition Programs Administered by the Committee**

The Committee also administers the DreamAhead College Investment Plan. This Program Details Booklet relates only to GET. Go to [www.dreamahead.wa.gov](http://www.dreamahead.wa.gov) for information and materials about DreamAhead.

### **Recent Key GET Events**

In 2015, the State Legislature passed the College Affordability Program (CAP), which lowered tuition at the State's public colleges for the 2015-2016 and 2016-2017 academic years and stated that beginning in the 2017-2018 academic year, annual tuition increases may be no more than the state's average annual growth rate in median hourly wage. Since the Unit Payout Value is tied to in-state public tuition, the CAP directed the Committee to maintain the 2014-2015 Unit Payout Value (\$117.82) through the 2015-2016 and 2016-2017 academic years. The CAP further directed the Committee to, beginning in the 2017-2018 academic year, make adjustments to ensure Accounts were not "decreased or diluted" as a result of lower tuition (see *RCW 28B.95.030(7)*).

**Account Rebasing.** On August 1, 2017, we reset the Unit Payout Value from \$117.82 to a new amount matching GET's statutory Unit Payout Value (i.e. 100 Units = one year of resident, undergraduate Tuition and State-Mandated Fees at Washington's most expensive public university). The 2017-2018 Unit Payout Value was \$103.86. Effective August 1, 2017, existing Account Owners received additional new Units (listed in account statements under "Supplemental Units") in their Accounts in a proportion equal to the difference between the \$117.82 Unit Payout Value of their purchased, Unredeemed Units as of August 1, 2017, and the 2017-2018 Unit Payout Value of \$103.86.

**Senate Bill 6087.** During the 2018 Legislative Session, the Legislature enacted Engrossed Senate Bill 6087 (ESB 6087), which provided new account options for GET Account Owners with Unredeemed Units purchased before July 1, 2015 (see *RCW 28B.95.030.8* and *RCW 28B.95.030.9*). These options included:

- Roll their GET Account(s) over to DreamAhead to receive a special Unit Cash Value Price (UCVP) of \$143 for all Unredeemed Units purchased before July 1, 2015.
  - Qualifying Account Owners had a 90-day period between June 15, 2018 and September 12, 2018 to request a rollover of their GET Account(s) to DreamAhead in order to be eligible for the special UCVP.
- Keep their savings in their GET Account(s) and potentially be eligible for up to two adjustments that may add Units to their GET Account. We made both of these adjustments to all qualifying Accounts after processing all DreamAhead rollovers and before March 1, 2019, per the requirements of the legislation.
  - The first adjustment applied only to Accounts with an average Unit Purchase Price that was higher than \$117.82. Qualifying Accounts received additional Units based on the difference between their average Unit Purchase Price and \$117.82. This adjustment added 113,822 Units to 13,597 qualifying Accounts.
  - The second adjustment was contingent on the funded status of the GET program after the close of the 90-day rollover window, and the completion of the first adjustment. GET's funded status was found to be above 125% at the measurement date selected by the OSA. As a result, we added Units to all GET Accounts with unredeemed Units purchased before July 1, 2015. This adjustment added 543,843 Units to 58,862 qualifying Accounts.

Any Units added to Accounts as a result of ESB 6087 can be found in Account statements under "Supplemental Units."

**Unit Maximums.** Because we added Units to Accounts in the Rebasing process and during the implementation of Senate Bill 6087, the Committee also increased the Unit maximums for Students. 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 800 Units per student and 200 Units per year.

## Investment Plan

### Operation of the Fund

**Pooled Accounts.** We commingle all assets received by Account Owners and hold those assets in accordance with federal and State law. We 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 under an Agreement.

**Investment and Use.** We invest amounts paid under Agreements in accordance with the Investment Policy (defined below). We may apply amounts paid under Agreements to pay for or reimburse the WSIB for its administrative expenses in connection with the Program.

**Reserve.** We 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 those obligations. We will not hold, maintain, or invest Reserve amounts separately.

**Annual Program Analysis.** In accordance with state law (*RCW 28B.95.080*), we conduct an annual evaluation of the Actuarial Soundness of the Program. We use the results of this evaluation to determine whether one or more Unit Purchase Price adjustments are needed, and if so, how much the price will be adjusted.

The OSA assists the Committee and the Washington State Legislature by providing actuarial services and consulting. OSA's three primary services for GET include:

- Prepare an annual actuarial valuation of GET for the Committee. You can access copies of current and past GET Actuarial Valuation Reports at <http://www.get.wa.gov/news> or by contacting us.
- Prepare unit price-setting analysis for the Committee.
- Consult, price, and communicate the effects of potential changes to the Program for the Committee or the Legislature.

## Investment Policy

The WSIB has adopted an investment policy for the Program (Investment Policy). The Investment Policy sets forth the investment policies and guidelines for investing the assets held by the Program. For more details, see *WSIB Policy Number 2.35.100*, available at [www.sib.wa.gov/](http://www.sib.wa.gov/).

**Investment Objectives.** In accordance with *RCW 43.33A.110*, Program assets (the Portfolio) is managed to achieve a maximum return at a prudent level of risk. The key determinant is the identification of the prudent level of risk for the Program considering the Program's need to meet or exceed the growth rate of tuition costs. Based on this requirement the order of the objectives are:

1. Maintain the solvency of the Portfolio and the financial stability of the Program as measured by the actuary for the Program.
2. Ensure sufficient assets are available to fund the expected payments to be made by the Program.
3. Subject to numbers 1 and 2 above, try to achieve a maximum return that will meet or exceed the rate of growth in college tuition costs over a 10-year period, at a prudent level of risk.
4. Invest in a manner that will not compromise public confidence in the Program.

**Performance Objectives.** Performance of the Portfolio is judged relative to the investment objectives, the risk constraint standards, and the investment approach. The Portfolio has both a long-term absolute goal and several relative performance objectives including:

1. Achieve or exceed a 3.25% real rate of return relative to inflation, as measured by the Consumer Price Index (CPI), over a 10-year period.
2. Relative to asset allocation targets, generate a return equal to, or in excess of, the applicable passive benchmark portfolio.

**Balance of Risk and Return.** The overriding objective of the fund is to ensure the investment assets meet or exceed the estimated liabilities and the rate of college tuition inflation over a long time period, while minimizing losses under downside risk scenarios. Given the strong funded status and built in reserve structure, the investment portfolio is more moderately positioned along the risk/return efficient frontier.

**Asset Allocation.** The WSIB reviews the asset allocation mix of investments in the Portfolio every four years, or sooner if there are significant changes in the size of the Program, its funding status, or liability duration.

Capital market conditions, funding status, and liability assumptions are dynamic, not static. Consequently, the WSIB staff meets at least annually with the Committee, administrative staff, and the Program actuary to review the Portfolio and the financial status of the Program.

The fund's current funded status and reserve features, which tilt toward long-term solvency, were considered in designing an asset allocation that is expected to meet or exceed the long-term tuition growth and return targets while improving downside investment risk.

The WSIB rebalances assets in the Portfolio across asset classes when market values of the assets fall outside the Investment Policy ranges. Rebalancing is accomplished first by using normal cash flow and second by the reallocation of assets across asset classes. The timing of the rebalancing is based upon market opportunities and the consideration of transaction costs. The allocation of assets in the Portfolio is set at the following ranges:

| Asset Allocation | Target | Range*    |
|------------------|--------|-----------|
| Public Equity    | 40%    | 35% - 45% |
| Fixed Income     | 60%    | 55% - 65% |
| Cash             | 0%     | 0% - 5%   |

\*These ranges are long-term and may deviate in the short term as a result of funding schedules and interim market movements.

**Asset Class Structure.** The WSIB establishes an asset class structure with wide guidelines for its staff to move assets in order to achieve the fund's overall objectives.

- **Equity.** The benchmark and structure for public equity investments is to passively track the broad global stock market as defined by the MSCI All Country World Investable Market Index.

- **Fixed Income.** The long-term goals of the asset class are to return more than inflation and to limit volatility for the total portfolio.
- **Permissible Investments:**
  1. Inflation Indexed Bonds;
  2. U.S. Treasuries and Government Agencies;
  3. Credit Bonds;
  4. WSIB Bond Market Funds; and
  5. Cash Equivalent Funds.

Although fixed income securities that are rated below investment grade may not be purchased, portfolio holdings that are downgraded to those levels or are no longer rated may continue to be held. “Investment grade” is defined by using the rating schema method employed by the Bloomberg Barclays Capital Global Family of Fixed Income Indices.

**Performance Information.** The WSIB presents performance information for investments quarterly to the Committee. The most recent report is available on our website. See the table to the right for the performance information on GET investments for the quarter ending June 30, 2020.

Returns are net of all investment fees. Please keep in mind that past performance is not indicative of future results.

| <b>Rate of Return on GET Investments<br/>(as of June 30, 2020)</b> |       |
|--|-------|
| One Year   | 7.40% |
| Three Years  | 6.34% |
| Five Years   | 6.06% |
| Ten Years  | 7.60% |

## Important Dates

|                  |  |
|------------------|--|
| November 1, 2020 | The 2020-2021 Enrollment Period begins. You can open an account at the \$133 Unit Purchase Price.  |
| January 2021     | You will receive a 1099-Q tax form if you took any Distributions, Qualified Refunds or Nonqualified Refunds from your Account during 2020. If the Distribution, Qualified Refund or Nonqualified Refund was made payable to the Student, or directly to the Institution of Higher Education, the Student will receive the 1099-Q tax form. |
| May 31, 2021     | The 2020-2021 Enrollment Period ends. If you enroll online, you must complete your enrollment by midnight PDT on May 31. If you enroll by mail, your Enrollment Form must be postmarked by May 31. Online enrollment gets congested during the final week of the Enrollment Period. To avoid frustration, please enroll early.             |
| June 25, 2021    | June 25 is the last day to buy Lump Sum units at the \$133 Unit Purchase Price. We must receive your payment by June 25 (we do not accept June 25 postmarks). If we receive your payment after June 25, we will post it at the Unit Purchase Price in effect for the 2021-2022 Enrollment Period.  |
| August 1, 2021   | Up to 200 new units will become eligible for Distribution for all students with a Benefit Use Year of 2021 or earlier.   |

## Contact Us

|                        |   |   |
|------------------------|---|---|
| <b>Website</b>         | www.get.wa.gov  |   |
| <b>Email</b>           | GETInfo@wsac.wa.gov   |   |
| <b>Phone</b>           | 1.800.955.2318 (toll-free) or 360.753.7803 (Olympia)<br><i>Translation service is available for customers who do not speak English.</i> | <b>Hours:</b> Weekdays from 8:00 a.m. to 5:00 p.m., Pacific Time (excluding state holidays). <b><i>These hours may be changed due to Covid-19 restrictions. Please check our website for updates.</i></b>                   |
| <b>Mailing Address</b> | <i>Payments and certified letters:</i><br>GET Program, P.O. Box 84824<br>Seattle, WA 98124-6124   | <i>Letters, forms and correspondence:</i><br>GET Program, P.O. Box 43450<br>Olympia, WA 98504-3450  |
| <b>Office Location</b> | 917 Lakeridge Way SW<br>Olympia, WA 98502<br><i>In-person visits only - no mail delivery at this address (FedEx/UPS accepted).</i>      | <b>Hours: As of March 2020, the Washington Student Achievement Council offices are closed to walk-in visitors due to Covid-19 restrictions. Please check our website for updates.</b> Directions are posted on our website. |

## More Resources

- 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 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://getportal.wsac.wa.gov/app/login>
- Learn more about the Washington Student Achievement Council and the services they provide to Washington students: [www.wsac.wa.gov](http://www.wsac.wa.gov)
- Read about WSAC's new student loan advocate who supports current and future student loan borrowers in Washington State: <https://www.wsac.wa.gov/loan-advocacy>
- Complete learning modules designed to help education consumers better understand higher education costs and considerations: <https://www.studentloaned.wa.gov/>





# Save today. Secure tomorrow.

## Contact Us

1-800-955-2318 (toll-free)  
GETInfo@wsac.wa.gov  
Monday - Friday, 8am - 5pm PT

## Correspondence

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

## Payments, enrollment forms and certified letters

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

**Office Location** (In person visits to our office and deliveries via FedEx and UPS may be unavailable due to COVID-19 restrictions. Please check our website.)

GET Program  
917 Lakeridge Way SW  
Olympia, WA 98502

The Guaranteed Education Tuition (GET) Program is a Qualified Tuition Program sponsored by the State of Washington. The Washington Student Achievement Council administers the GET Program while the Washington State Investment Board oversees its investments. The Committee on Advanced Tuition Payment and College Savings governs the program. If in-state tuition decreases in the future, GET tuition units may lose value.

© 2020 Guaranteed Education Tuition. All rights reserved.



**WA529**

WASHINGTON COLLEGE SAVINGS PLANS

[www.wastate529.wa.gov](http://www.wastate529.wa.gov)