

July 2017

Dear GET Customer,

First of all, I would like to share my deepest appreciation for your participation in GET and for making the choice to plan ahead and save for your family’s higher education goals. I also have some important news to share with you about your GET account.

What is GET’s current status?

It has been two years since the state’s College Affordability Program went into effect, which lowered tuition at our public colleges for two years and set limits on future tuition growth. To ensure GET customers could enjoy the benefits of reduced tuition while not losing value in their GET accounts, the College Affordability Program required the GET Committee to do the following:

1. Hold the unit payout value at \$117.82/unit (the value in effect prior to tuition decreasing) for two years.
2. After that, make the adjustments necessary to ensure customer accounts would not be “decreased or diluted” as a result of the tuition reductions.

Reminder:
Except for the last two years, 100 GET units has always equaled one year of resident, undergraduate tuition and state-mandated fees at Washington’s highest priced public university.

This month marks the end of the second year of tuition reductions, and beginning this fall tuition will be allowed to increase by approximately two percent. We do not yet know what this year’s exact tuition and fees will be at Washington’s highest priced public university, but we do know that they will be lower than they were the year before the College Affordability Program went into effect. This means that it is now time for GET to begin making the necessary adjustments on customer accounts by “rebasing” GET’s unit payout value to match tuition, while keeping accounts from losing value.

What is “rebasing”?

On July 6, 2017, the GET Committee voted to rebase all purchased, unredeemed units in all existing customer accounts as of August 1, 2017. Here is a quick overview of how the process will work:

1. On August 1, GET will reset the unit payout from \$117.82 to a new amount that matches GET’s original unit payout formula as outlined in state law (i.e. 100 units = one year). We do not yet know what the exact amount will be for the new payout, but we anticipate it will be somewhere around \$104/unit, based on the state’s tuition policy for the upcoming year.
2. Once the unit payout value is adjusted, existing GET customers will receive new units in their accounts in a proportion equal to the difference between the \$117.82 payout value and the new payout value. Below is an example of how this would work on a GET account with 100 units, if we assume that this year’s highest tuition and state-mandated fees are \$10,400*.

Status prior to rebase: 100 purchased, unredeemed units in account as of July 31, 2017			
	Before Rebase	After Rebase	Added Units
Purchased Unit Count	100	113.2885	13.2885
Unit Payout Value	\$117.82	\$104.00	(13.2885%
Total Payout Value of Purchased Units	\$11,782.00	\$11,782.00	adjustment)

*Hypothetical example for illustrative purposes. Actual adjustment may differ depending on actual tuition and fees set by institutions.



How will rebasing affect my GET account?

The rebasing process is designed so that the total payout value of your account **will not change** before and after the process is complete. Customers will simply have more units at a different unit payout value. Once tuition increases again, the unit payout value would also go up at the same rate, and customers would see any future increases applied over more units. For example, we estimate that tuition will go up again by about two percent for the 2018-19 academic year, based on the state's tuition policy for the next two years.

Why is rebasing necessary?

Rebasing is a one-time reset that complies with state law and ensures the GET payout value is consistent with the program's original design as a prepaid tuition program. Remember, the GET guarantee is that 100 GET units equals one year of resident, undergraduate tuition and state-mandated fees at Washington's highest priced public university. Rebasing also allows GET to reopen and begin selling new units that are valued in the same way as units that customers have already purchased. This reduces any potential confusion of units being valued differently.

How do I find out more about how rebasing will affect my account?

To learn more about the rebasing process, please visit www.get.wa.gov/rebase. This webpage will walk you through the process, and provide examples of how the process affects accounts and information on what to expect next. The rebasing process will take place on August 1, and shortly after that, customers will be able to log in to the GET customer portal to see exactly how the rebasing affected their individual accounts.

We strongly recommend you review this information in detail before making any further account changes, distributions, or refunds.

Thank you again for your participation in GET and for your understanding as we've worked to safeguard the funds that your family has come together to save over the years. We are confident that GET will remain a valuable savings option for families and we are looking forward to continuing to serve you.

Sincerely,



Betty Lochner
GET Program Director

To learn more about the rebasing process, please visit
www.get.wa.gov/rebase

