

GET promotes saving for a child's college education

Families who want the assurance their college savings will keep pace with rising tuition costs have been choosing Washington's Guaranteed Education Tuition (GET) program in record numbers.

With nearly 120,000 accounts valued at about \$1.6 billion, GET is the nation's fastest-growing 529 pre-paid college tuition program. (See the chart on page 2).

GET accounts purchased this year are guaranteed by Washington State to cover the full cost of tuition in the future, no matter how much tuition increases. *

**GET units must be held at least two years before use. Units should be held for 4-5 years to realize financial gain.*



Why GET?

College costs continue to rise

Today it costs more than **\$100,000** to send a student to a Washington state college or university for four years. Within the next 15 years, this cost is expected to rise to more than **\$250,000**.

GET helps families get ahead in the race

GET encourages families to beat these rising costs by starting early with either a lump sum payment, or incrementally for as little as \$51 per month.

Steady and safe

With investments managed by the State Investment Board, GET accounts ensure a steady and safe rate of return. Lump-sum GET units purchased 10 years ago have more than doubled in value.

Tax advantage

GET returns accumulate tax free and all withdrawals are tax free if used for tuition, room and board, books, or other qualified expenses.

How GET Works

- The state guarantees 100 GET units will pay for one year of resident, undergraduate tuition and state-mandated fees at the highest-priced state university (UW or WSU).
- Anyone—parents, grandparents, or friends—can open a GET account as long as the student or account owner is a Washington resident at the time of enrollment.
- GET units can be purchased in a lump sum or through a monthly payment plan—or a combination of the two.
- Families can purchase from one to 500 units per child. In 2010-11, the GET unit price is \$117.
- Families can use their accounts at nearly any public or private college, university or vocational school in the United States, and even some schools in other countries.

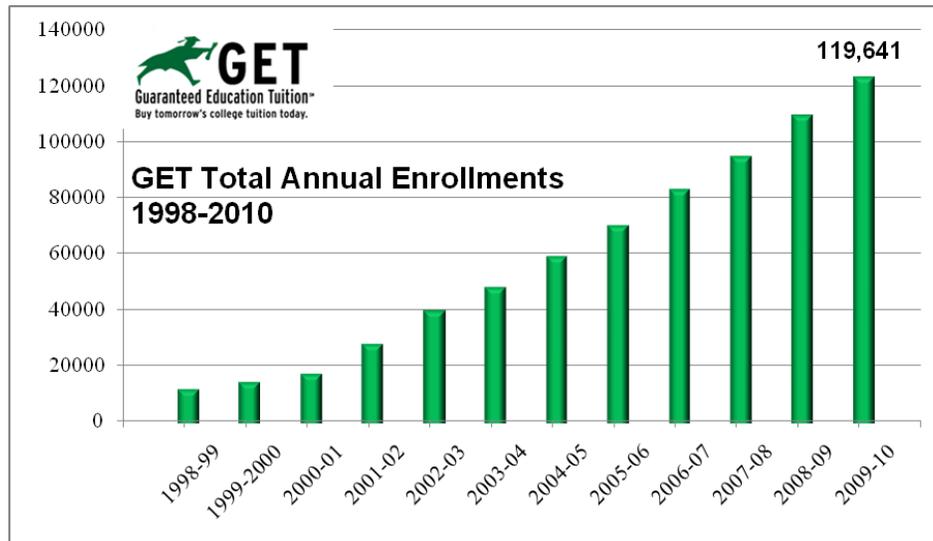
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GET college savings program

The number of GET accounts being opened has grown dramatically over the last 12 years. GET is the nation's fastest-growing 529 pre-paid college tuition program.



GET Facts

- The Washington Higher Education Coordinating Board administers the GET program. The State Investment Board oversees its investments.
- A committee, appointed by the Governor and chaired by the HECB's executive director, provides oversight for the program.
- Other GET committee members are the State Treasurer, the director of the Office of Financial Management, and two citizens.
- The Legislature established the GET program in 1997 under federal tax laws, and the first accounts were opened in 1998.
- There now are nearly 120,000 GET accounts.
- 81% of GET account owners are parents
- 10% are grandparents
- 9% are students or others
- Since its inception, the GET program has grown from 7,900 accounts to its current size.
- The program is self-sustaining with a total fund investment of \$1.6 billion in fall 2010.
- GET's enrollment year runs from September 15 through March 31. During this period the price of a GET unit is fixed. GET strives to keep unit prices low.
- GET accounts are considered the assets of the owner, not the student. The account owner

GET investments grow tax free

- State pre-paid college tuition plans like GET are known as 529 plans after the IRS federal tax code that authorizes them.
- Because GET is a 529 program, after-tax money invested grows tax free.
- GET funds used to pay for tuition, room and board, books, and other authorized college expenses will not be taxed as income when withdrawn.
- Generally, a GET account of up to the maximum 500 credits can be established in any given year without incurring any federal gift taxes. Program details contain more information.
- If a parent is the account owner, the GET account is treated like any other parental asset when determining a family's eligibility for federal financial aid.
- Families that bought 100 GET lump sum units in 1998 have earned close to a 12 percent average annual return on their investment.
- The actual increase in fund value will differ depending on when the units are purchased, when the child goes to college, and how much tuition goes up over time.