

## Guaranteed Education Tuition Program (GET)

**What is GET?** – The Guaranteed Education Tuition Program (GET) is a qualified prepaid tuition program under Section 529 of the Internal Revenue Code. This means the increased value of a GET account is tax-exempt if used for tuition or other qualified higher education expense, and the IRS allows gift and estate tax exemptions for contributions. GET is authorized by RCW 28B.95.

**How GET works** – The GET program allows any person to buy credit for a future college education at today's tuition rates. The only requirement is that the student beneficiary be a Washington state resident at the time of enrollment in GET. The program works on a unit system, with 100 units being equivalent to one year's resident undergraduate tuition and required fees at Washington's highest price public university. The value of one unit is therefore 1 percent of that particular tuition value. Families may purchase up to 500 units for a child, which would cover five years of undergraduate education at the University of Washington or Washington State University. However, a child attending a community college for two years, then two years at Western Washington University before graduating, for example, would require an estimated 246 credits. A GET account is eligible for use once the account has been open for at least two calendar years. If a student has GET units left over in any given year, the units can be used to pay for room and board (on or off campus) and required books, supplies and equipment. GET credits are to be used within ten years of the date the student is expected to begin college, or ten years from the date of first accessing the account, whichever is later.

**GET Administration** – The GET program is administered by the Higher Education Coordinating Board, while the State Investment Board oversees invested GET contributions. A five-member committee is charged with creating policy for the program and setting the price of the GET unit. Under the GET law, Washington is legally bound by a tuition contract. If not enough money exists in the GET account to cover the state's obligation in a given biennium, the Legislature must appropriate money to make up the difference. As of 2008, over 90,000 GET accounts have been opened with a total value of \$1.1 billion.

**Private, Graduate, or Out-of-State Schools** – GET may be used for private, graduate, or out-of-state schools, and the program simply pays the equivalent of the current undergraduate resident tuition rate at Washington's highest-price public school. However, a student may only use 125 units during any academic year, plus any unused credits from previous years. All remaining costs are the responsibility of the student.

**Cancellations and Scholarships** – Refunds may be requested after an account has been open for a minimum of two years, with several exceptions, including account values less than \$500, death or disability of the student, and financial hardship. Otherwise, the GET program assesses a cancellation fee of \$100 or 10 percent of the plan value, whichever is greater, plus an administrative processing fee of \$1.70 for each month the plan was open. The IRS may also assess a fee when funds are refunded, and income tax may be owed on the value of the account. If a student receives a college scholarship, GET units may be used towards room and board, books, and qualified education expenses. A recipient can also defer the use of the units, transfer them to another family member, or request a refund for the scholarship amount without penalty.

See [www.get.wa.gov](http://www.get.wa.gov) for more information on Washington's Guaranteed Education Tuition Program.