



WA529 – WASHINGTON'S 529 COLLEGE SAVINGS PLANS

GUARANTEED EDUCATION TUITION (GET) PROGRAM
DREAMAHEAD COLLEGE INVESTMENT PLAN

Jacquelyne Ferrado | WA529 | October 2018

SUPPORTING FINANCIAL WELLNESS AND STUDENT SUCCESS



WASHINGTON STUDENT
ACHIEVEMENT COUNCIL
EDUCATION · OPPORTUNITY · RESULTS

Raise Awareness

- Engaging with parents, students, families, and others.
- Encouraging the importance of savings.

Provide Education

- Learn more about 529 plans and how to integrate with other savings methods.
- Learn how savings and financial aid support overall savings goals.

Share Resources

- Written materials
- Website
- Email and social media



PRESENTATION AGENDA

Review

- Brief review of GET and DreamAhead

Program Updates

- SB 6087 implementation and next steps.
- Payroll Deduction process for GET and DreamAhead.
- 2018 – 19 GET Enrollment Period and Unit Price.

Share Resources

- Written materials
- Websites
- Workshops, Lunch & Learns, Webinars



WHAT IS A 529 PLAN?

A 529 plan is a tax-advantaged savings plan designed to encourage saving for future college costs. 529 plans, legally known as “qualified tuition plans,” are sponsored by states, state agencies, or educational institutions and are authorized by Section 529 of the Internal Revenue Code.



WA529 PLANS OVERVIEW

Guaranteed Education Tuition (GET) Program	DreamAhead College Investment Plan
529 Prepaid Tuition Plan Enrollment Period November - May	529 College Savings Plan Year-round Enrollment
Plan growth tied to tuition growth at highest priced WA public university. Guarantee written into state law.	Plan growth tied to investment returns . Returns fluctuate with rates of the investments.
Plan overseen by Committee on Advanced Tuition Payment Program and College Savings, managed by WSAC, and supported by State Investment Board and State Actuary.	Plan overseen by Committee on Advanced Tuition Payment Program and College Savings, managed by Sundry Administration, LLC, and supported by WSAC.
Funds can be transferred to another family member.	Student Beneficiary can be changed.
Earnings grow tax free and remain tax free when used for qualified educational expenses.	Earnings grow tax free and remain tax free when used for qualified educational expenses.
Students can attend public, private, community or technical colleges nationwide.	Students can attend public, private, community or technical colleges nationwide.
Anyone can contribute to an account.	Anyone can contribute to an account.



WA529 PLANS OVERVIEW

Guaranteed Education Tuition (GET) Program	DreamAhead College Investment Plan
Unit System – 100 = 1 Year	Investor chooses investment portfolio.
State-backed guarantee to match future resident undergraduate tuition and state-mandated fees at highest priced WA public university (not guaranteed to increase).	Returns subject to investment performance and may lose value (no state-backed guarantee).
Choose a contribution plan: <ul style="list-style-type: none">- Lump Sum- Custom Monthly- Combination of both	Investors can choose from: <ul style="list-style-type: none">- Age-based plans that self-adjust from more aggressive to more conservative investments as a student ages;- Risk-based fixed allocation portfolios that do not change over time.- A combination of portfolios.
Lifetime maximum per beneficiary – 600 units Student beneficiary can used up to 150 units per academic year.	No additional contributions once account balance reaches \$500,000 for all WA529 accounts (DreamAhead and GET) with the same beneficiary.
Initial residency requirement.	No residency requirement.



NEW GET ACCOUNT OPTIONS – SB 6087

New legislation passed during the 2018 Legislative Session which provides new options and potential benefits for GET customers with units bought before July 1, 2015.

Rollover from GET to DreamAhead	Remain in GET
<p>Phase 1 - 90 day window June 15 – September 12, 2018 to request a rollover at a ‘unit cash value price.’</p>	<p>Phase 2 – Unit Adjustment: Adding more units to accounts. Begins after 90 day window for rollovers closes and all requests have been processed. Unit adjustment for GET accounts with average unit price higher than \$117.82. Must be complete by March 1, 2019.</p>
<p>Unit cash value is different than the standard GET payout value, and may be higher than the current payout value.</p>	<p>Phase 3 – Funded Status Adjustment: Adding more units to accounts. This phase is dependent on the GET funded status if over 125% after phase 2 and cannot begin until that adjustment is complete. Must be complete by March 1, 2019.</p>
<p>Closes the GET account.</p>	<p>GET accounts are still open.</p>



NEXT STEPS

- Ensure all rollovers are processed before phase 2 begins.
- Communicate next steps to eligible GET customers.
- Run the process/make adjustments to eligible accounts.



GET ENROLLMENT & UNIT PRICE

- 2018-2019 GET open enrollment November 1 – May 31.
- Unit price remains \$113 through June 25, 2019.



PAYROLL DEDUCTION

- 1) Employee sets up GET and/or DreamAhead account.
- 2) Employee completes a Payroll Deduction Authorization form from individual program.
- 3) Employee submits the form to their payroll office.
- 4) Links to Payroll Deduction Information and Forms
 - <https://www.dreamahead.wa.gov/search/node?keys=payroll+deduction>
 - <https://www.get.wa.gov/employee-payroll-deduction>



PAYING EXPENSES FROM ACCOUNTS

1. Direct Payment Request

- The plan makes payment directly to the school for tuition, fees and/or on-campus room & board.

2. Reimbursement to Account Owner or Student

- Account Owner or student has paid eligible expenses out of pocket.
- Student can be reimbursed when Account Owner requests it.

3. Distributions and expenses must occur in same calendar year.



TOP FOUR “WHAT IFS”

Student gets a scholarship?

Use for other expenses, hold and use another year, transfer to another family member, refund.

Student decides not to go to college?

Wait to use it, transfer to another family member, refund.

Family moves out of state?

Can continue to contribute and use as planned.

Family’s financial situation changes?

Can change the plan or refund. Call Contact Center for options.



There are options!



529 Plans and Financial Aid?

- How college savings plans fit into the picture.
- What does financial aid consist of?
- Understanding assets verses income.
- Grandparent owned 529 plans.
- Why it all matters?



COMMON MISCONCEPTIONS

1. Cannot afford to save.
2. Savings prevent student from receiving financial aid or scholarships.
3. Cannot use outside of the state or for other expenses.
4. If my student choose not to go to college we lose our contributions.



HOW YOU CAN HELP

1. Gather college savings plan resources in your workplace and share information when you can.
2. Let employees and families know how to get more information by providing them the resources.
3. Schedule a Lunch and Learn for your workplace, school or event to help families learn more about GET and DreamAhead.
4. Reach out and ask questions by contacting us.
5. Let us know how we can help you.



FURTHER READING

Guaranteed Education Tuition Program (learn about GET 529 Prepaid Tuition Plan)

- www.get.wa.gov
- New options available under SB 6087: www.get.wa.gov/sb6087

DreamAhead College Investment Plan (learn about DreamAhead 529 College Investment Plan)

- www.DreamAhead.wa.gov

Washington Student Achievement Council (learn about the agency that administers WA529 and financial aid programs)

- www.wsac.wa.gov; www.readysetgrad.org

College Savings Plans Network (learn about 529 plans nationwide)

- www.collegesavings.org

IRS Publication 970 (learn about 529 plan tax treatment and benefits)

- www.irs.gov/publications/p970



CONTACT INFORMATION

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GET Contact Center

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DreamAhead Customer Service

www.dreamahead.wa.gov/contact-us , 844.529.5845



QUESTIONS?