

## Pay-As-You-Go FAQ's

Q – What is Pay-As-You-Go?

A - It is a MET payment method that allows you to purchase credit hours in any increments (to the 3<sup>rd</sup> decimal place) at the current credit hour price.

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Q – Will my price be locked in, similar to a monthly purchase contract?

A – No. You will be paying the current credit hour price. Our enrollment periods and pricing will be published each year on December 1 and prices are subject to increase during each enrollment period. Current prices will always be listed on our website. Unlike monthly purchase contracts, you won't pay a "rate of return," so in most cases you will most likely end up paying less over the life of a Pay-As-You-Go contract compared to a monthly contract.

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Q – How much do I have to pay to open up a contract?

A – You must purchase at least one credit hour (see price chart) for your chosen contract type. Your initial credit hour payment is due by the 25<sup>th</sup> of the month after you enroll. You have the option to pay the initial credit hour at the time of purchase (via online enrollment or mailed in signature page) or pay it at a later date, before the 25<sup>th</sup> of the month after you enroll.

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Q – After I open my contract, should I only pay one credit hour, or can I pay more?

A – One credit hour is the minimum, but if you would like to contribute more initially, you can.

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Q – What if I don't pay the initial credit hour in time?

A – 1 day after the due date, you will receive a letter reminding you that it is still due. 30 days after the due date, your contract will be cancelled. If you had made a payment that equaled less than one credit hour, your payment will be refunded.

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Q – How will I know how many credits I've purchased?

A – If you make a payment by mail, you will receive a letter by mail confirming the credit hours you purchased with your most recent payment, as well as the total number of credit hours purchased to date. Regardless of payment method, you will receive quarterly and annual statements updating you on your current credit hour balance. You can also view your current credit hour balance online at any time.

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Q – Can other people contribute to my Pay-As-You-Go contract?

A – Yes! We will accept contributions from anyone, not just the purchaser. Payments from friends and family can be made by mail or on our Pay-As-You-Go payment site.

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Q – Can my beneficiary have multiple Pay-As-You-Go contracts?

A – Yes! A beneficiary can have any number of contracts, Pay-As-You-Go or other types. A family may choose to have both a Community College and a Full Benefits Pay-As-You-Go contract, or multiple family members could choose to open up individual Pay-As-You-Go contracts for the beneficiary. The only limit is that each beneficiary may only accumulate up to 150 MET credits of any type.

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Q – I have a monthly purchase contract. Can I stop paying on that and start paying on a Pay-As-You-Go contract instead?

A – Yes, you can. Simply send us something in writing (by mail, fax, or scanned and emailed) stating that you no longer wish to make payments on your monthly purchase contract. We will freeze the benefits in that contract and send you a confirmation letter that it has been processed. You can open up a Pay-As-You-Go contract at any time.

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Q – Can I make automatic payments on my Pay-As-You-Go contract?

A – Yes! We offer automatic ACH payments. To begin ACH payments, fill out MET form 3695 and include the amount you want to pay each month and we'll set it up for you. We also offer payroll deduction (contingent on employer participation) and electronic one-time payments in addition to mailed-in payments.

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Q – How soon are credits in my Pay-As-You-Go contract available for my beneficiary to use?

A – Credits are available 45 days after the final payment to a Pay-As-You-Go contract has been made. A Pay-As-You-Go contract may be activated or terminated before the 45 days have passed, but no payments will be made until 45 days after the final payment has been made.

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Q – Can I keep paying on my Pay-As-You-Go contract while my child is using it at a university?

A – No. Once a Pay-As-You-Go contract has been activated, no other payments can be applied to it. You can, however, open up a new Pay-As-You-Go contract during open enrollment and contribute to that contract while your beneficiary is in school. For example, a family may choose to activate their Pay-As-You-Go contract when their beneficiary begins Freshman year at a university, and then open up a new Pay-As-You-Go contract to keep saving for tuition later in the beneficiary's college career.

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Q – My annual statement says I have purchased 25.732 credit hours. When my beneficiary uses the contract at MSU, will you pay for 25.732 credit hours?

A – Once your beneficiary activates their contract, the credits purchased will round up to the nearest .5 credit hours, so your beneficiary would have 26 credit hours available.

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Q – My beneficiary has a lump sum and a Pay-As-You-Go contract. Will there be a different process for activating/terminating the two contracts?

A – No. Activations, terminations, and transfers will all be processed the same way, regardless of the payment method of the contract.