



# STUDENT GUIDEBOOK 2025



**(800) MET-4-KID**

**SETwithMET.com**





This document is available at **SETwithMET.com**.

To have a copy mailed to you, call 800-MET-4-KID (638-4543), press option "2" then "2" and leave your name and MET contract number.

For the hearing/speech impaired TTY through the Michigan Relay Center dial 711 for assistance.



## **Table of Contents**

### Michigan Education Trust Student Guidebook

Welcome.....	2
Online Contract Services.....	3
MET Plans.....	4
Full Benefits Plan	
Limited Benefits Plan	
Community College Plan	
Beneficiary Checklist.....	5-6
Using Your MET.....	7-8
Michigan Public University	
Michigan Public Community College	
Michigan Independent (Private) or Out-Of-State School	
Technical/Trade School/Apprenticeship Program (non-degree granting)	
Transferring from One University/College to Another.....	9
Options to Terminate Your MET Contract.....	10
What Happens after you submit your Notice to Terminate Request?.....	11-12
Termination Refund Charts.....	13-14
Instructions for Form W-9.....	15
MET Annual Statement of Benefits and Taxable Incomes.....	16
Federal and State Income Tax Matters.....	17
Transferring MET Benefits to an Immediate Family Member.....	18
Frequently Asked Questions.....	19-22

#### **Forms:** (also available at [SETwithMET.com](https://www.setwithmet.com))

[Notice to Use MET Education Benefits \(Form 3181\)](#)

[Notice to Terminate a MET Education Benefits Contract \(Form 2773\)](#)

[Request for Taxpayer Identification Number and Certification \(W-9\)](#)

[Request to Update a Michigan Education Trust Contract \(Form 2777\)](#)

[Notice to Transfer to Another University or College \(Form 2779\)](#)

[Request to Transfer MET Educational Benefits \(Form 2781\)](#)

[Request to Defer Refund Installment \(Form 4221\)](#)

[Contract Value Worksheet \(Form 4459\)](#)

[Agreement to Amend a MET Contract \(Mandatory Fees\) \(Form 5714\)](#)





GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RACHAEL EUBANKS  
STATE TREASURER

Dear MET Student:

The MET Student Guidebook contains the instructions and forms you will need to notify MET of how you intend to use the educational benefits provided under your MET contract(s). The Student Guidebook and forms apply to all three types of MET contracts: Full Benefits, Limited Benefits, and Community College.

As a MET Beneficiary, you have 15 years from your expected date of high school graduation (as stated on your MET contract) to use your MET benefits, transfer unused benefits to an immediate family member, or request a refund if not attending college.

For financial aid purposes, your MET benefits are classified as a Section 529 prepaid tuition plan and when purchased by a parent are considered an asset of the parent up to 5.64% of the MET contract value. *The Contract Value Worksheet* (Form 4459) will help calculate the refund value of your contract(s). The refund value should be reported on your FAFSA. Please consult the college's financial aid office if you have not already included the refund value on your FAFSA. *If your contract was purchased by a grandparent or someone other than a custodial parent, you are not required to report MET benefits when completing the FAFSA.*

If your address has changed, please notify us by submitting a Change of Address form (Form 2775) to the MET office or go to [SETwithMET.com](http://SETwithMET.com) click "Account Login," under the "Quick Links" menu to update your address. If the Purchaser or Appointee's address has changed, the Purchaser or Appointee must sign the Change of Address form or update online.

Please read this Guidebook carefully and save it for future reference. If you still have questions, contact the MET office at 800-638-4543. You may also e-mail the MET office at: [TreasMET@Michigan.gov](mailto:TreasMET@Michigan.gov).

Thank you for your participation in the MET program.

Sincerely,

A handwritten signature in blue ink that reads "Diane Brewer".

Diane Brewer  
Executive Director  
Michigan Education Trust



## Online Services

**As a MET Beneficiary (student) you may activate your education benefits and perform many other actions online instead of submitting paper forms.** Go to **SETwithMET.com** to set up a username and password, if you have not already done so. You will need a valid contract number and your Social Security number. Once you log into your contract, click on “Benefits Information” at the top of the page to select the action you want. **Note:** Only the Beneficiary may activate the contract.

### Online Services Allows:

Beneficiary	Purchaser	Appointee
<b>Contract Access:</b> <ul style="list-style-type: none"><li>• School payment history</li><li>• Benefit balance</li><li>• Update address and email</li></ul>	<b>Contract Access:</b> <ul style="list-style-type: none"><li>• School payment history</li><li>• Benefit balance</li><li>• Update address and email</li></ul>	<b>Contract Access:</b> <ul style="list-style-type: none"><li>• School payment history</li><li>• Benefit balance</li><li>• Update address and email</li></ul>
<b>Contract Activate:</b> <p>Use your MET benefits at a Michigan public university or community college.</p> <b>Contract Terminate:</b> <p>Use your MET benefits at a Michigan independent (private) or out-of-state higher education institution to pay the school directly.</p> <b>Contract Transfer:</b> <p>Transfer your MET benefits from a Michigan independent (private) or out-of-state higher education institution to another or from a Michigan public university or community college to another.</p>	<div><b>If you want to take any other action with your MET benefits, forms may not be submitted through your online account, and additional documentation may be required.</b></div>	

### How to Activate or Terminate your MET benefits tutorials.



View Activate Your MET tutorial at <https://bit.ly/activateyourmet>



View Terminate Your MET tutorial at <https://bit.ly/terminateyourmet>

### How to Navigate MET's online customer portal tutorial.



View How to Navigate tutorial at <https://bit.ly/howtonavigatemetonline>



# MET Plans

## University Plans:

- **FULL BENEFITS:** If you have a Full Benefits plan, MET will provide full, in-state, credit-for-credit tuition and mandatory fees at any Michigan public university or tuition and mandatory fees at Michigan public community colleges up to the number of credits purchased.
- **LIMITED BENEFITS:** If you have a Limited Benefits plan, MET will pay full, in-state, credit for credit tuition at Michigan public universities where the tuition is at or below 105% of the weighted average tuition of all Michigan public universities. At Michigan public universities where tuition exceeds 105% of the weighted average tuition, a prorated amount will apply instead of credit for credit.
- MET's university plans may also be used to provide funds to Michigan private colleges, and out-of-state schools, or provide refunds to the Refund Designee to pay for a trade school/ certificate program.

## Community College Plan:

- **COMMUNITY COLLEGE:** If you have a Community College plan, MET will pay in-district tuition and mandatory fees at Michigan public community colleges. Some areas of the state are not within a community college district. Students who attend a community college out of their district will be responsible to pay the difference between the out-of-district and in-district tuition costs. MET's Community College plan may also be used to provide funds to Michigan public universities, private colleges, and out-of-state schools, or provide refunds to the Refund Designee to pay for a trade school/ certificate program.

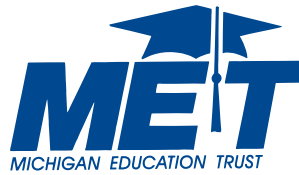


## MET Expiration:

Beneficiaries have 15 years from their expected date of high school graduation to use, transfer, or terminate their MET for a refund. METs expire on July 15 of the 15th year. At that point, unused benefits will be forfeit.



# BENEFICIARY CHECKLIST



## University (Full or Limited) Plans- Using your MET at a Michigan Public 4-year University or a Michigan Public Community College

- ☐ Submit Notice to Use MET Education Benefits request online or form 3181.

**NOTE: Submit Notice to Use MET Education Benefits request as soon as possible so that MET may notify the Michigan school of your funds in a timely manner.**

## Community College Plan- Using your MET at a Michigan Community College or Michigan Public 4-year University

- ☐ Submit Notice to Use MET Education Benefits online or form 3181.

**OR**

- ☐ Submit Notice to Terminate a MET Education Benefits Contract online if enrolled in a Michigan Public 4-year school or form 2773.
- ☐ High school diploma, if under 18 years of age.

## Using your MET with a Full Tuition Scholarship, Enrolled in a United States Military Academy or G.I. Bill

- ☐ Submit Notice to Terminate a MET Education Benefits Contract form 2773.
- ☐ Scholarship verification showing amount of tuition covered and number of semester/years covered or renewal terms. Termination using Montgomery G.I. Bill requires verification of both the G.I. Bill and proof of enrollment.
- ☐ Form W-9 must be completed by the Refund Designee. If you are unsure of who the Refund Designee is, please contact the MET office or access your online account.

## Military Enlistment

- ☐ Form 2773 Notice to Terminate a MET Education Benefits Contract. Beneficiary must complete, sign, and date.
- ☐ Enlistment contract.
- ☐ Form W-9 must be completed by the Refund Designee. If you are unsure of who the Refund Designee is, please contact the MET office or access your online account.

Tel: 800-638-4543

Email: [TreasMET@Michigan.gov](mailto:TreasMET@Michigan.gov)

Website: [SETwithMET.com](http://SETwithMET.com)

**Do not include the checklist with your submission.**



# BENEFICIARY CHECKLIST



## Using your MET at a Michigan Independent (Private) or Out-of-State School

- ☐ Submit Notice to Terminate a MET Education Benefits Contract online or form 2773.
- ☐ High school diploma, if under 18 years of age.
- ☐ Form W-9 must be completed by the Refund Designee. If you are unsure of who the Refund Designee is, please contact the MET office or access your online account.

## Death/Disability of Beneficiary

- ☐ Form 2773 Notice to Terminate a MET Education Benefits Contract.
- ☐ Death certificate/or letter confirming learning disability.
- ☐ Form W-9 must be completed by the Refund Designee. If you are unsure of who the Refund Designee is, please contact the MET office or access your online account.

## NOT Attending a degree granting higher education school

- ☐ Form 2773 Notice to Terminate a MET Education Benefits Contract.
  - ☐ Affidavit form 2273 must be completed and notarized.
- ☐ High school diploma, if under 18 years of age.
- ☐ Form W-9 must be completed by the Refund Designee. If you are unsure of who the Refund Designee is, please contact the MET office or access your online account.

If you need assistance with any of the forms, call MET toll-free at (800) 638-4543 or email [TreasMET@Michigan.gov](mailto:TreasMET@Michigan.gov) to connect with a MET representative.

Tel: 800-638-4543

Email: [TreasMET@Michigan.gov](mailto:TreasMET@Michigan.gov)

Website: [SETwithMET.com](http://SETwithMET.com)

**Do not include the checklist with your submission.**



## Using Your MET

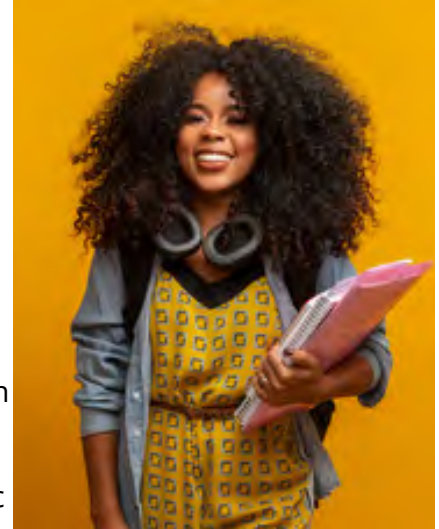
You can activate your MET benefits by logging into your account online or submitting **Form 3181 Notice to Use MET Education Benefits**. Specify the university/college where you are enrolled and the semester and year you would like to start using your MET. You do not need to submit your university/college acceptance letter with Form 3181. A list of Michigan public universities and community colleges is on the reverse side of Form 3181.

### EDUCATIONAL BENEFITS PROVIDED

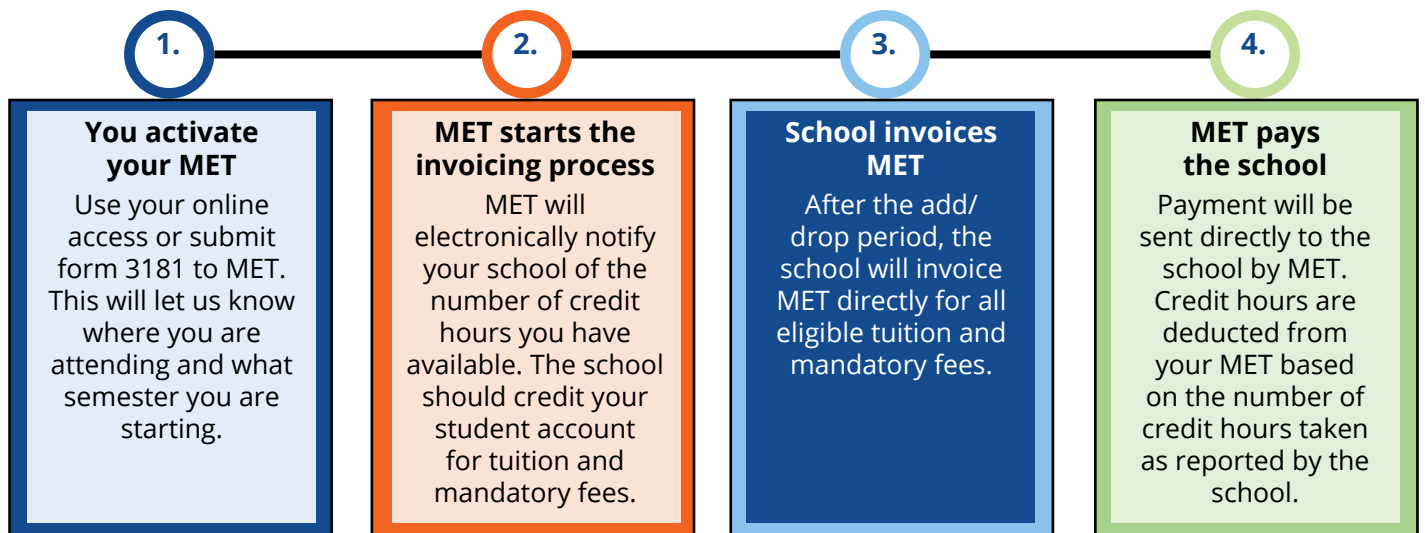
**FULL BENEFITS** contracts provide undergraduate tuition and mandatory fees at Michigan public universities. At Michigan public community colleges, it provides tuition, contact/billing hour fees and mandatory fees (in-district or out-of-district).

**LIMITED BENEFITS** contracts provide full, in-state, credit for credit tuition at Michigan public universities where the tuition is at or below 105% of the weighted average tuition of all Michigan public universities. At Michigan public universities where tuition exceeds 105% of the weighted average tuition, a prorated amount will apply instead of credit for credit. At Michigan public community colleges, it provides tuition, contact/billing hour fees and mandatory fees (in-district or out-of-district).

**COMMUNITY COLLEGE** contracts provide in-district tuition and mandatory fees at a Michigan community college.



### Process: Submit Notice to Use MET Education Benefits



**You will receive email confirmation when MET makes a payment to your school.**




## Using Your MET at a Michigan Independent (Private) or Out-of-State School


If you are not using your MET at a Michigan public university or college, your credit hours may be converted into a dollar amount (refund) and directed to an institution or the Refund Designee. This change also allows refunds to be directed to technical, trade schools, and apprenticeship programs, not just higher education institutions. This process is called Termination.

If you plan to attend a Michigan independent (private) or an out-of-state school, MET does not pay these schools by the credit hour. Instead, a refund value is established when you terminate your contract. You may terminate your contract online (if you want to pay the school directly) or submit form 2773 Notice to Terminate. This option does not require any further documentation.

To submit form 2773 Notice to Terminate, you may e-mail, fax, or mail the completed form and required documentation: 1) proof of enrollment (copy of your acceptance letter) and 2) Federal W-9 for the Refund Designee. You must indicate if the refund is to be paid directly to the college or the Refund Designee. You may not submit the forms online if you select to pay the Refund Designee.

If you have a Full Benefits or Community College plan, the refund amount is higher when directed to the school rather than directed to the Refund Designee. Refer to the "Termination Refund Chart" for clarification.





**MET FACTS**

**In 2024, more than 1,300 MET students attended private or out-of-state college.**

Michigan Education Trust



## Transferring from One University/College to Another

Log into your online account at **SETwithMET.com** or submit the Form 2779 Notice to Transfer to Another University or College if you:

- Make a permanent or temporary transfer to a different Michigan public university/college.
- Attend two different Michigan public schools at the same time.
- Attend classes at a different Michigan public university/college during the summer semester.

You may transfer between Michigan public universities and community colleges. To have your MET funds paid to a Michigan independent (private) or out-of-state school you must terminate your contract.

### Declaring a Major Area of Study

***This option is available on MET contracts purchased between 1988 and 2012. The first two numbers of your contract are the enrollment year in which it was purchased. It does not apply to contracts purchased after the 2012 enrollment period.***

When the four-year bachelor's degree requires more than 120 credit hours, a student who has declared a major with their university may print a **Notice to Declare a Major Area of Study (Form 2780)**. The student will complete the demographic portion of the form and submit it to the registrar's office at the university. When the university verifies to MET the number of credit hours required, the adjustment is made based on information provided by the university and the number of credit hours originally purchased. If you change your major area of study, any credit hours already paid by MET, which do not apply toward your new major, are still subtracted from the number of credit hours available to be paid by MET.

#### FULL BENEFITS CONTRACTS:

- Once you declare your major at your university print the **Request to Declare a Major (Form 2780)** online at **SETwithMET.com**. Forms are listed under the "Manage Your Account" menu option.

#### LIMITED BENEFITS CONTRACTS:

- If you are attending a Michigan public university/college whose costs do not exceed 105% of the weighted average tuition, you are eligible to submit a Declare a Major form. However, if you are attending a Michigan public university/college whose tuition costs exceed 105% of the weighted average tuition, MET cannot adjust the number of credit hours. Instead, MET will apply the number of credit hours available on your contract. **Request to Declare a Major (Form 2780)** is available online at **SETwithMET.com**. Forms are listed under the "Manage Your Account" menu option.

#### COMMUNITY COLLEGE CONTRACTS:

- When a two-year associate degree requires more than 60 credit hours, a student who has declared a major with their college may print a **Notice to Declare a Major Area of Study (Form 2780)**. The student will complete part one of the form and submit it to the registrar's office at the college. When the college verifies to MET the number of credit hours required, the adjustment is made based on information provided by the college and the number of credit hours originally purchased. If you change your major area of study, any credit hours already paid by MET, which do not apply toward your new major are still subtracted from the number of credit hours available to be paid by MET. **Request to Declare a Major (Form 2780)** is available online at **SETwithMET.com**. Forms are listed under the "Manage Your Account" menu option.



## Options to Terminate Your MET Contract

### Using your MET Community College Plan at a Michigan Four-Year University

If you have a MET Community College plan and enroll at a Michigan public four-year university, you must terminate your credit hour benefits for a refund. The refund may be directed to the university in as needed. You may log into your account online to submit your **Form 2773 Notice to Terminate a MET Education Benefits Contract** if you direct the refund to the university. If you direct the refund to the Refund Designee, you must submit Form 2773 and include: 1) proof of enrollment and 2) Federal W-9 completed and signed by the Refund Designee.

### Full Tuition Scholarship

If you receive a full tuition scholarship and wish to terminate your contract for a refund, you must submit the **Form 2773 Notice to Terminate a MET Education Benefits**. The refund will be paid to the Refund Designee. The tuition scholarship must be equal to or greater than the number of contract years purchased. A one-year scholarship, which is renewable for the number of contract years purchased, is acceptable. You must include with your submission: 1) a copy of the verification letter that specifies the terms of your scholarship, and 2) Federal W-9 completed and signed by the Refund Designee (Refer to the Termination Refund Charts for refund specifics).



### Not Attending College

If you do not plan to attend an institution of higher education and wish to terminate your contract, you must submit the **Form 2773 Notice to Terminate Education Benefits**. The refund will be paid to the Refund Designee. Along with Form 2773, you must submit: 1) the affidavit certifying that you do not plan to attend a higher education school (as defined in the MET contract); this affidavit must be notarized, and 2) Federal W-9 completed and signed by the Refund Designee. The refund will be paid to the Refund Designee in a lump sum (Refer to the Termination Refund Charts for refund specifics).

### Enrolled in a Non-Degree Granting Higher Education School

If you enroll in an institution that offers only certificate or diploma programs you must submit a **Form 2773 Notice to Terminate a MET Education Benefits Contract**, select item "i" and include: 1) Copy of acceptance letter or other proof of enrollment and 2) Federal W-9 completed and signed by the Refund Designee (Refer to the Termination Refund Charts for refund specifics).



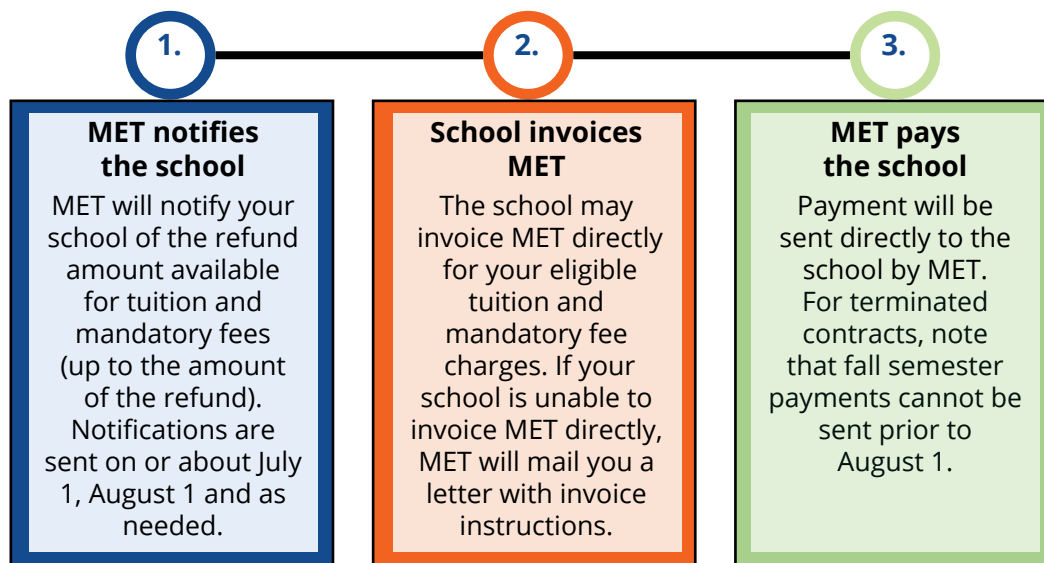
## Options to Terminate Your MET Contract

### Enlist in the Military

If you enlist in a branch of the U.S. armed services and wish to terminate your contract, you must submit the **Form 2773 Notice to Terminate Education Benefits**. The refund will be paid to the Refund Designee. Along with Form 2773, you must submit: 1) a signed copy of your enlistment contract. If your enlistment includes a full tuition scholarship, you may terminate under scholarship for a higher refund amount (Full Benefits and Community College contracts only). Include a statement of your benefits under the Montgomery GI Bill or other proof of benefits issued by your branch of service and a copy of your university/college acceptance letter, and 2) Federal W-9 completed and signed by the Refund Designee (Refer to the Termination Refund Charts for refund specifics).

**A portion of the refund may constitute taxable income for federal, state and local income tax purposes.**

### Process: How your MET Benefits are paid to the school after you submit Notice to Terminate (Form 2773).



**You will receive email confirmation when MET makes a payment that was directed to your school.**



## What happens after you submit your Notice to Terminate request?

1. MET will review your documentation for completeness. If no errors are found, the termination is finalized. If your termination request is incomplete or incorrect, MET will notify you to request the necessary forms/changes. With correct documentation, **it can take approximately three weeks for MET to process your termination and notify your school of your available funds.** Errors in the termination documentation will result in a delay in processing time.
2. If you attend a Michigan independent (private) university/college or an out-of-state university/college and direct the refund to the Refund Designee, this refund amount is lower than the refund amount paid to a university/college (Refer to the Termination Refund Charts for refund specifics).
3. If you terminate your contract because you received a full tuition scholarship or do not plan to attend college, the refund will be paid to the Refund Designee (Refer to the Termination Refund Charts for refund specifics).
4. Once you terminate your MET contract directing payment to Michigan private, community or out-of-state institution, you cannot reinstate the contract for full tuition at a Michigan public university/college. However, you may direct any remaining refund amount to a Michigan public university/college. In addition, you cannot reinstate a terminated contract to transfer it to another Beneficiary.
5. With contracts terminated to attend an out-of-state college and the refund is directed to that college, if MET is not billed for any tuition during a four-year period, the refund value will drop from the average tuition to lowest tuition (Full and Community College plans only) and will be paid to the Refund Designee on approximately August 1st of the fourth year, and they should receive a check by mail prior to August 15th.
6. If a refund amount is not fully utilized by the end of the fourth academic year, you will have the option to defer (rollover) the funds for further education.
  - You may defer (rollover) the refund into the next academic year by submitting the **Form 4221 Request to Defer Annual Installment Refund.**
  - If you do not submit the **Form 4221 Request to Defer Annual Installment Refund**, the unused balance will automatically be paid to the Refund Designee. The refund will be released in August of the fourth academic year.
  - You may defer your refund up to, but not to exceed, the 15-year deadline to receive funds. The 15-year period begins from the academic year the Beneficiary is expected to graduate high school (as stated on the MET Contract Signature Page at the time of purchase).



## TERMINATION REFUND CHART – ALL PLANS

Refunds will never be less than the Prepaid Tuition Amount.			
Reason	Full Benefits	Limited Benefits	Community College
<b>Attend Michigan independent (private) university/college, direct refund to the institution</b>	<u>Weighted average tuition</u> of Michigan public four-year universities  Paid as necessary toward tuition and mandatory fees up to maximum refund allowed	<u>Weighted average tuition</u> of Michigan public four-year universities whose tuitions do not exceed 105% of the weighted average tuition  Paid as necessary toward tuition and mandatory fees up to maximum refund allowed	<u>Weighted average tuition</u> of Michigan public community colleges  Paid as necessary toward tuition and mandatory fees up to maximum refund allowed
<b>Attend Michigan independent (private) university/college, direct refund to Refund Designee</b>	<u>Lowest tuition</u> of Michigan public four-year universities  Lump sum paid to the Refund Designee	<u>Lowest tuition</u> of Michigan public four-year universities  Lump sum paid to the Refund Designee	<u>Lowest tuition</u> of Michigan public community colleges  Lump sum paid to the Refund Designee
<b>Attends out-of-state institution, directs refund to institution</b>	<u>Average tuition</u> of Michigan public four-year universities  Paid as necessary toward tuition and mandatory fees up to maximum refund allowed	<u>Lowest tuition</u> of Michigan public four-year universities  Paid as necessary toward tuition and mandatory fees up to maximum refund allowed	<u>Average tuition</u> of Michigan public community colleges  Paid as necessary toward tuition and mandatory fees up to maximum refund allowed
<b>Attends out-of-state institution, directs refund to Refund Designee</b>	<u>Lowest tuition</u> of Michigan public four-year universities  Lump sum paid to the Refund Designee	<u>Lowest tuition</u> of Michigan public four-year universities  Lump sum paid to the Refund Designee	<u>Lowest tuition</u> of Michigan public community colleges  Lump sum paid to the Refund Designee
<b>Full tuition scholarship</b>	<u>Average tuition</u> of Michigan public four-year universities  Lump sum paid to the Refund Designee	<u>Lowest tuition</u> of Michigan public four-year universities  Lump sum paid to the Refund Designee	<u>Average tuition</u> of Michigan public community colleges  Lump sum paid to the Refund Designee
<b>Attend Michigan public community college, directs refund to college</b>	<u>Lowest tuition</u> of Michigan public four-year universities  Paid as necessary toward tuition and mandatory fees up to maximum refund allowed	<u>Lowest tuition</u> of Michigan public four-year universities  Paid as necessary toward tuition and mandatory fees up to maximum refund allowed	Not Applicable
<b>Attends a Michigan public university, directs refund to the university</b>	Not Applicable	Not Applicable	<u>Weighted average tuition</u> of Michigan public community colleges.  Paid as necessary toward tuition and mandatory fees up to maximum refund allowed



## TERMINATION REFUND CHART – CONT'D

Refunds will never be less than the Prepaid Tuition Amount.			
Reason	Full Benefits	Limited Benefits	Community College
<b>Military Enlistment</b>	Lowest tuition of Michigan public four-year universities  Lump sum paid to the Refund Designee	Lowest tuition of Michigan public four-year universities  Lump sum paid to the Refund Designee	Lowest tuition of Michigan public community colleges  Lump sum paid to the Refund Designee
<b>Technical/trade school/ apprenticeship program (non- degree granting)</b>	Lowest tuition of Michigan public four-year universities  Lump sum paid to the institution or the Refund Designee	Lowest tuition of Michigan public four-year universities  Lump sum paid to the institution or the Refund Designee	Lowest tuition of Michigan public community colleges  Lump sum paid to the institution or the Refund Designee
<b>Not Attending College</b>	Lowest tuition of Michigan public four-year universities  Lump sum paid to the Refund Designee	Lowest tuition of Michigan public four-year universities  Lump sum paid to the Refund Designee	Lowest tuition of Michigan public community colleges  Lump sum paid to the Refund Designee
<b>Beneficiary Dies or is Learning Disabled</b>	Lowest tuition of Michigan public four-year universities  Lump sum paid within 60 days to the person specified in the contract	Lowest tuition of Michigan public four-year universities  Lump sum paid within 60 days to the person specified in the contract	Lowest tuition of Michigan public community colleges  Lump sum paid within 60 days to the person specified in the contract

### Transferring from One University/College to Another? (Terminated Contracts)

You must notify MET by updating your school online, calling the MET office or by submitting a **Form 2779 Notice to Transfer to Another University or College** if you:

- Make a permanent or temporary transfer to any school.
- Attend two different schools at the same time (indicate dual enrolled by listing both schools).
- Attend classes at a different Michigan public, private or out-of-state schools during the summer semester.



# Form W-9 Request for Taxpayer Identification Number and Certification

MET benefits used to pay college tuition and mandatory fees are exempt from federal and Michigan income taxes. If, however, a MET contract is terminated, and the refund is not used to pay qualified higher education expenses, contract "earnings" (the value of the refund over the amount paid for the corresponding portion of the contract) could be subject to federal, state and local income taxes and a 10% federal excise tax. The payee (Refund Designee) is responsible for those taxes.

The Refund Designee is the person named by the Purchaser to receive a refund when benefits are not paid directly to a higher education institution. The Refund Designee must complete and submit a Federal W-9 form when terminating the contract for any reason, including attending a Michigan community college, Michigan private institution or an out-of-state university/college.

The Purchaser can change the Refund Designee if the Purchaser or Appointee is currently the Refund Designee. The Purchaser must submit a completed Request to Update a Michigan Education Trust Contract (Form 2777). This form requires a notarized signature. If the Beneficiary is currently the Refund Designee, then only the Beneficiary can complete and submit Form 2777. If the Purchaser is deceased, contact the MET office at 800-638-4543.

**If MET does not receive the completed Form W-9, your request for termination will be delayed until the W-9 is received.**

## W-9 Example

Refund  
Designee  
Information

Form <b>W-9</b> (Rev. November 2017) Department of the Treasury Internal Revenue Service		<b>Request for Taxpayer Identification Number and Certification</b>		Contract Number(s)
			<b>Go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> for instructions and the latest information.</b>	<b>Give Form to the requester. Do not send to the IRS.</b>
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>Samuel Joe</b>				
2 Business name/disregarded entity name, if different from above				
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ <b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ▶				
4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>				
5 Address (number, street, and apt. or suite no.) See instructions. <b>123 Maple Street</b>			Requester's name and address (optional)	
6 City, state, and ZIP code <b>Your Town, State, 41234</b>				
7 List account number(s) here (optional)				

Refund  
Designee  
Social  
Security  
Number

<b>Part I Taxpayer Identification Number (TIN)</b>		<b>Social security number</b>	
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later. <b>Note:</b> If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.		<b>1 2 3 - 4 5 - 6 7 8 9</b>	
		or <b>Employer identification number</b>	

Refund  
Designee  
Signature

<b>Part II Certification</b>	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and	
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and	
3. I am a U.S. citizen or other U.S. person (defined below); and	
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
<b>Certification instructions.</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.	
<b>Sign Here</b>	Signature of U.S. person ▶ <b>Samuel Joe</b> Date ▶ <b>March 3, 2009</b>

### General Instructions

• Form 1099-DIV (dividends, including those from stocks or mutual funds)



## MET Annual Statement of Benefits and Taxable Income

When contract benefits are paid, MET will provide the contract payee with a federal Form 1099-Q each January. If you are enrolled and MET is making payments to your university or college, the 1099-Q will show the amount paid for tuition and mandatory fees for the tax year. If a refund is paid during the tax year, the Refund Designee will receive a 1099-Q showing the refund amount paid.

MET benefits used to pay college tuition and mandatory fees may be exempt from federal and Michigan income taxes. If, however, a MET contract is terminated, and the refund is not used to pay qualified higher education expenses, contract “earnings” (the value of the refund over the amount paid for the corresponding portion of the contract) could be subject to federal, state and local income taxes and are subject to pay a 10% additional amount included as income. The payee (Refund Designee) is responsible for those taxes.

To demonstrate the calculation of “earnings” on a refunded contract, the following example uses a MET contract purchased:

1) Total paid (contract price and fee)	\$36,065.00
2) Total refund (per applicable contract provisions)	\$38,620.00
3) Nontaxable portion multiplier (item 1 divided by item 2)	.93
4) Annual refund amount (item 2 divided by 4 installments)	\$9,655.00
5) Nontaxable portion (item 4 multiplied by item 3)	\$8,979.00
6) <b>Taxable “earnings”</b> (item 4 less item 5)	<b>\$676.00</b>

The total refund is dependent upon the reason for termination. (Refer to the Termination Refund Charts for refund specifics).

This tax example is included for general information only. Consult a tax advisor for advice on how the student or Refund Designee may be specifically affected.



## Federal and State Income Tax Matters

MET is a qualified tuition program (QTP) under Section 529 of the Internal Revenue Code. MET benefits used to pay qualified tuition and mandatory fees are exempt from federal and Michigan income taxes. If a MET is terminated and the refund is not used to pay qualified higher education expenses, earnings (the value of the refund over the amount paid for the corresponding portion of the MET) could be subject to federal and Michigan income taxes and a 10% federal penalty tax. The person receiving the refund is responsible for those taxes.

- American Opportunity Credit: You may be able to claim a credit up to \$2,500 per Beneficiary.
- Lifetime Learning Credit: You may be able to claim a credit up to \$2,000 per Beneficiary.
- Coverdell Education Savings Accounts (ESA): Maximum annual contribution for a Beneficiary is \$2,000 per year.
- See **IRS.gov** for Publication 970 regarding Qualified Tuition Programs.

The federal and Michigan tax statutes and rules applicable to MET are complex and their application is contingent upon the specific situation. Consult with a qualified advisor regarding the application of the laws, regulations, and rules to your particular facts and circumstance.





## Transferring MET Benefits to an Immediate Family Member

If you do not plan to utilize all or a portion of the educational benefits provided under the contract, you may transfer your MET benefits to an immediate family member by submitting a **Form 2781 Request to Transfer MET Education Benefits**. Form 2781 must be completed and signed by the original Beneficiary, the Purchaser of the contract (for 1988 contracts only where original Beneficiary has used a portion of the benefits) and the new Beneficiary (or parent/guardian if the new Beneficiary is less than 18 years old) and submitted to Michigan Education Trust. **A transfer fee of \$25.00 is also required.** You may pay online at [SETwithMET.com](https://setwithmet.com) or make a check or money order payable to "Michigan Education Trust" and mail it with your completed form.



Certain conditions apply to transferring benefits to an immediate family member:

- The original Beneficiary must be 18 years old or have earned a high school diploma. Exceptions include the death or disability of the Beneficiary.
- On contracts purchased between 1988-2018 only the Beneficiary may transfer benefits.
- Contracts purchased from 2019 forward allow the Beneficiary or the Purchaser to transfer benefits.

**NOTE:** Education benefits (credit hours) may be transferred only to an immediate family member as defined in the contract. **In addition, all individuals signing Form 2781 certify that no payment has been or will be made to anyone (other than MET) for the transfer of educational benefits. Refund installments on terminated contracts cannot be transferred.**

If the education benefits will be transferred to a younger Beneficiary, there is no additional charge. However, if the educational benefits will be transferred to an older student, an additional charge may be required. This additional amount is based on the difference between the amount paid for the contract (for the original Beneficiary) and the cost of a contract for the older student in the year the contract was purchased, plus MET's loss of investment income from the date the contract was purchased to the date of transfer. The additional fee provides the new Beneficiary 15 years from the date of their high school graduation to use educational benefits.



The additional fee may be waived if the new Beneficiary is willing to accept less than 15 years to use educational benefits. If you wish to pay the additional fee, call the MET office at 800-638-4543 for the amount before you submit Form 2781 and the \$25.00 fee.



## Frequently Asked Questions

### 1. What is the Michigan Education Trust (MET)?

MET is a 529 prepaid tuition savings program which allows you to pay for future higher education at today's price. MET is flexible, transferable, and even refundable. MET covers tuition and mandatory fees. Depending on the Beneficiary's choices, MET provides:

- Prepaid tuition and mandatory fees at any Michigan public university and community college.
- Funds from a terminated MET can be directed to a Michigan independent (private) or out-of-state college.
- Refunds can be made to the Refund Designee to pay a trade school/certificate program or if a Beneficiary decides not to attend college.

### 2. Is a student required to enroll full-time to use their benefits?

No. A student may take one or more classes during consecutive or non-consecutive semesters until all credit hours are used or until 15 years from their expected high school graduation year, whichever comes first.

### 3. Does a student have to use their MET contract immediately after high school graduation?

No. A student has 15 academic years from their expected high school graduation year to use all credit hours, transfer unused credits, or terminate their MET for a refund.

### 4. Who can access MET contract information?

Only those persons listed on the contract as Beneficiary, Purchaser, or Appointee will be given contract-specific information. MET will provide general program information to all other inquiries.

### 5. The Beneficiary will not graduate from high school in the expected academic year as submitted on the Contract Signature Page at the time of purchase. Can this date be changed?

No. The MET contract allows a Beneficiary 15 academic years from the expected academic year to completely use all benefits or receive a refund.

### 6. What are the mandatory fees?

Mandatory fees are those required to be paid by all students attending a particular institution. Application fees, contact hour fees, and fees which are course specific or program specific (such as program fees, lab fees for science and computer classes, etc.) or fees assessed based on the number of credit hours enrolled are not covered.

- MET contracts purchased in the 2013 through 2019 enrollment periods are eligible to receive only mandatory fee payment based on the fee rates in effect in 2012. On November 14, 2019, the MET Board of Directors passed Resolution 2019-2 (Mandatory Fees). This amendment will allow for removal of the cap limiting Mandatory fees. To amend the contract and remove the cap, the Purchaser must submit a completed and notarized **Agreement to Amend a MET Contract (Mandatory Fees) (Form 5714)**.





## Frequently Asked Questions

**7. Can a Beneficiary transfer between schools?**

Yes. A Beneficiary may start at one school and decide to finish at another.

**8. Can a Beneficiary use their MET at multiple schools at the same time?**

Yes. The Beneficiary can attend two different Michigan public schools at the same time. Additionally, they can take classes at a separate Michigan public university or college during the summer semester.

**9. What if the Beneficiary attends a Michigan independent (private) or out-of-state college or university?**

If a Beneficiary is admitted to a Michigan independent (private) or out-of-state college, funds can be directed to the college. See Termination Refund Charts for refund specifics.



**10. What if a student receives a full tuition scholarship?**

If a Beneficiary receives a full tuition scholarship, the MET is eligible for termination or transfer; the Refund Designee may receive a refund per contract provisions. A full scholarship must be equivalent to or greater than the MET years purchased. Alternatively, the student may transfer the contract to an immediate family member or use for graduate school. See question 12 regarding use at graduate school.

**11. What if a student receives a partial scholarship?**

Students who receive partial tuition scholarships, grants, or other types of tuition assistance (including faculty/employee benefits paid by a public institution) may still use MET. The school may invoice MET for all credit hours for which a student enrolls. Any excess amount may be applied to other expenses or refunded to the student by the institution.

**12. Can credit hours be applied to graduate school or advanced programs?**

MET contracts are intended to cover undergraduate courses. However, if a student graduates from college after using their MET for undergraduate studies and has credit hours remaining, the remaining credit hours may be used toward graduate school or an advanced program at a Michigan public university or college at the upper-level undergraduate tuition rate. The student will be responsible to pay the difference to the school.



## Frequently Asked Questions

### 13. What if a student decides not to attend college?

When a student reaches 18 years of age or receives a high school diploma, the student has the option of transferring the contract (all or part) to an immediate family member(s) or terminating the contract to obtain a refund payable to the Refund Designee.



### 14. What happens if a student drops, fails, or repeats a class?

The school does not charge MET for a dropped class if it is dropped prior to the 100% refund drop date. If you drop a class after the 100% refund date, the school invoices MET for the full amount of the class dropped and returns the partial refund (if any) to you (the student). In this situation, the credit hours dropped are deducted from the total number of credit hours allowed under your MET contract. If you (the student) repeat, fail, or do not finish a class, they will count against the total number of credit hours allowed under your MET.

### 15. Who can terminate a MET plan?

For METs purchased in 2019 or later, the Purchaser or the Beneficiary may terminate the MET for a refund and/or transfer benefits to an immediate family member. The first two numbers of your contract are the year in which it was purchased. **On METs purchased between 1988-2018, only the Beneficiary may terminate a contract and/or transfer benefits to an immediate family member.** On all METs, the Beneficiary must be 18 years old or have earned a high school diploma for a termination or transfer to occur. The only exceptions are if the Beneficiary has died or is diagnosed as learning disabled; then a person with legal authority to act on behalf of the Beneficiary may terminate the contract.

### 16. Can MET benefits be reinstated after termination of the plan for a refund directed to a Michigan private or out-of-state school?

No. The MET contract does not provide for the reinstatement of a contract once terminated and a full or partial refund has been made. However, refund amounts previously designated to pay a Michigan private or out-of-state institution may be redirected to a Michigan public university or community college.



## Frequently Asked Questions

**17. What if a student's major requires more than 120 credit hours?**

Some bachelor's degrees require more than 120 credit hours over four years. A student may submit a Notice to Declare a Major Area of Study (Form 2780) to MET in their junior or senior year of college on MET Full Benefits contracts purchased between 1988 and 2012. Refer to Declaring a Major Area of Study for specifics.

**18. How are MET benefits applied at block rate schools?**

MET benefits will be applied to the number of credit hours taken each semester, as reported by the institution. Institutions which are on a block rate credit hour system will invoice MET for the block rate but report the actual number of credits taken by the student. MET will deduct the credit hours reported by the institution from the student's contract.

**19. Will MET cover tuition for a student that moves out-of-state after a contract has been purchased but wants to attend a Michigan public college or university?**

MET provides payment of in-state undergraduate tuition and mandatory fees at a Michigan public university for Full and Limited Benefit plans. Each university determines residency requirements. A Beneficiary who lives out-of-state may still use their benefits at a Michigan public university. If the university classifies the student as an out-of-state resident, MET benefits will cover in-state tuition and mandatory fees. The student will be responsible to pay the difference between the out-of-state and in-state tuition.







**In 2024,  
over 5,400  
Beneficiaries  
used their  
MET at a MI  
public college.**



**"It really helps that I don't have this huge burden of debt over my shoulders for the next 10-25 years. It's a great example of one generation investing in another."**

**-Jerod, MET Graduate**





## Michigan Department of Treasury



**(800) MET-4-KID**

**SETwithMET.com**