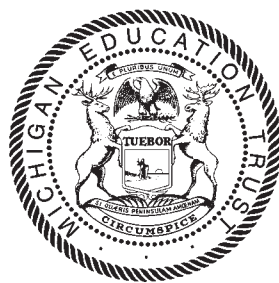


2022-2023 ANNUAL REPORT

Contract Plans B & C

SETwithMET.com

800-MET-4-KID



This report is available at **SETwithMET.com**.
To have a copy mailed to you, call
800-MET-4-KID.

TABLE OF CONTENTS

MICHIGAN EDUCATION TRUST PLANS B & C

Introductory Section

Welcome	2
Michigan Education Trust Board of Directors	3

Actuarial Soundness

Gabriel Roeder Smith & Company	5
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Michigan Education Trust Contract Usage Charts

Academic Year Beneficiary is Expected to Attend College	7
Contracts in Payment Status	8
Contracts Paid in Full	9

Stay Up To Date	10
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MET Fun Facts	11
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MET Open Enrollment year-round	12
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MET Staff	13
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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 2024

Dear MET Purchaser:

We are pleased to present the Fiscal Year 2022-23 Annual Report for the Michigan Education Trust (MET) program. By law, an actuarial evaluation must be performed annually to determine MET's ability to pay future benefits.

On page five, you will find a summary of the actuary report prepared by Gabriel Roeder Smith & Company for contracts purchased from 1988 to 1990 (referred to in this Annual Report as Plans B & C contracts) as of September 30, 2023. The full report is accessible at: [Plans B & C Actuary's Report](#).

The Independent Auditor's Report, for the same time period, is available at: [Michigan Education Trust Annual Comprehensive Financial Report](#). The financial statements illustrated in the report present MET Plans B & C and MET Plan D separately as they are separate plans. The financial statements in the report do not purport to, and do not, present the financial position of MET Plans B & C and MET Plan D as commingled.

Enrollment is open year-round so you can purchase additional benefits as needed at any time! MET's Pay-As-You-Go payment option remains popular, allowing Purchasers to buy benefits by credit hours rather than in semester increments. After the initial purchase of one credit hour, you can continue to make contributions at any time in increments as low as \$25. Once a contract has been opened, friends and family can also make contributions. For more information visit www.SETwithMET.com.

Please feel free to call the MET office with any questions or concerns you may have at 800-MET-4-KID (638-4543) or 517-335-4767 in the greater Lansing area. You may also e-mail MET at TreasMET@michigan.gov.

Sincerely,

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

Diane Brewer
Executive Director
Michigan Education Trust

MET BOARD AND LEADERSHIP

A nine-member Board of Directors administers the Michigan Education Trust (MET) program. Board members are responsible for policy development, investment initiatives, program development and implementations. The Governor, on advice and consent of the Senate, appoints MET Board members, who represent expertise in business, academics or finance. The State Treasurer, Rachael Eubanks, serves as Chairperson. Diane Brewer, Executive Director, serves as liaison to the MET Board of Directors and administers MET operations. MET is housed within the Michigan Department of Treasury under the Office of Postsecondary Financial Planning.

Michigan Education Trust Board of Directors

MS. RACHAEL EUBANKS, CHAIRPERSON

Ex Officio, State Treasurer

MR. ROBERT A. BOWMAN, PRESIDENT

Pleasure of Governor

President & CEO, MLB Advanced Media, L.P.

MRS. MADDY DAY, VICE PRESIDENT

Pleasure of Governor

Maddy Day, LLC & Associates

MR. RONALD WISER

Nominated by Speaker of the House

Chairman, The Wisser Group

DR. PHILOMENA V. MANTELLA

Representing Four-Year Public Colleges & Universities

President, Grand Valley State University

DR. STACY YOUNG

Representing Community Colleges

President, Montcalm Community College

MR. MICHAEL FLYNN

Nominated by Senate Majority Leader

Former Treasurer, Shelby Township

MS. MARLIN WILLIAMS

Representing General Public

Vice President of Global Diversity & Inclusion StockX

MR. RICHARD PAPPAS

Representing Presidents of Private Colleges

President, Davenport University

THE MET PROGRAM

MET was established pursuant to Public Act 316 of 1986 as Michigan's prepaid tuition program. MET is a "qualified tuition program" under Section 529 of the Internal Revenue Code which provides tax exemption for the trust and tax exemption of earnings for contract participants who use MET funds to pay for qualified higher education expenses.

MET allows parents, grandparents, businesses, and others to make contributions at the current rate of tuition for a child to attend any Michigan public college in the future. Michigan is the first state in the nation to enact legislation for a prepaid tuition program. Today, all 50 states have established similar prepaid or college savings programs.

ACTUARIAL SOUNDNESS



January 3, 2024

Ms. Diane Brewer
Executive Director
Michigan Education Trust
P.O. Box 30198
Lansing, Michigan 48909

Dear Ms. Brewer:

At your request, Gabriel, Roeder, Smith & Company ("GRS") has performed an actuarial soundness valuation of the Michigan Education Trust – Plans B and C ("MET") as of September 30, 2023. Although the term "actuarial soundness" is not specifically defined, the purpose of this actuarial valuation is to evaluate the financial status of the program as of September 30, 2023.

The actuarial soundness valuation results are based upon data and information, furnished by MET, concerning program benefits, financial transactions, and beneficiaries of MET as of September 30, 2023. We reviewed this information for internal and year-to-year consistency, but did not audit the data.

As of September 30, 2023, the present value of all future tuition obligations under contracts outstanding (and including estimated future administrative expenses) at that date is \$35.9 million. Fund assets as of September 30, 2023, including only the market value of program assets, are \$93.7 million. The difference between the fund assets of \$93.7 million and program obligations of \$35.9 million represents a program surplus of \$57.8 million.

The actuarial soundness valuation involves actuarial calculations that require assumptions about future events. The major actuarial assumptions used in the actuarial soundness valuation were based on an experience review for the period from October 1, 2012, to September 30, 2017, and were adopted for use commencing with the September 30, 2018 valuation. The major actuarial assumptions (discount rate and rates of future tuition increases) used in the actuarial soundness valuation were provided by and are the responsibility of MET.

To the best of our knowledge, the information contained in the actuarial soundness valuation report is accurate and fairly presents the actuarial position of the Michigan Education Trust – Plans B and C as of September 30, 2023. All calculations have been made in conformity with generally accepted actuarial principles and practices commonly applicable to similar types of arrangements.

This actuarial certification is provided to the Board of Trustees in conjunction with the MET actuarial valuation as of September 30, 2023. Additional information regarding actuarial assumptions and methods, and important additional disclosures are provided in the full actuarial soundness valuation report as of September 30, 2023, which is available on the MET website, and is an integral part of this certification.

Paul T. Wood and James R. Sparks are Members of the American Academy of Actuaries (MAAA) as indicated, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Gabriel, Roeder, Smith and Company

A handwritten signature in black ink that reads "Paul T. Wood". The signature is written in a cursive style with a large initial "P".

Paul T. Wood, ASA, FCA, MAAA
Senior Consultant and Actuary

A handwritten signature in black ink that reads "James R. Sparks". The signature is written in a cursive style with a large initial "J".

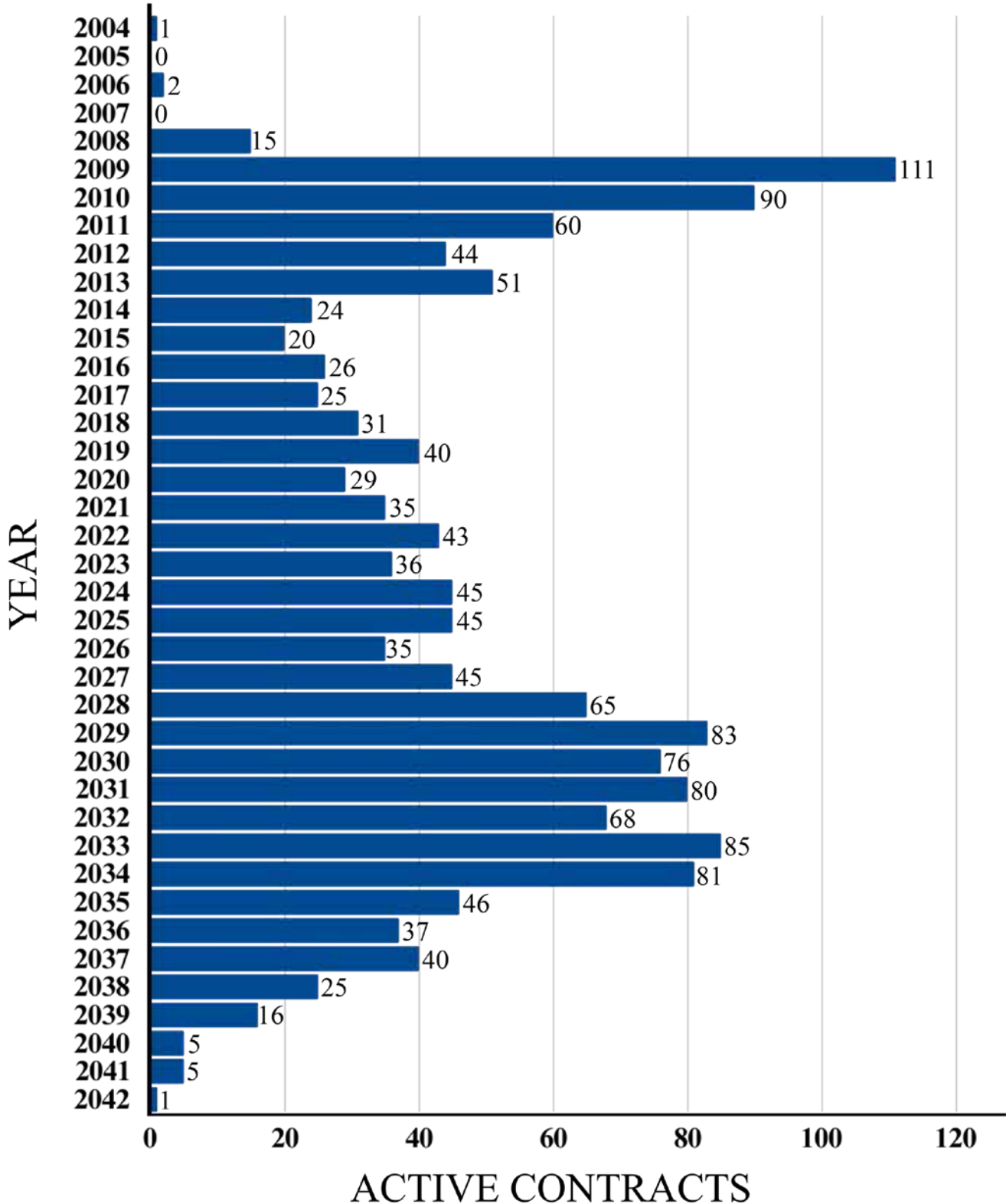
James R. Sparks, ASA, FCA, MAAA
Consultant and Actuary

MICHIGAN EDUCATION TRUST CONTRACT USAGE CHARTS

Contracts by Academic Year

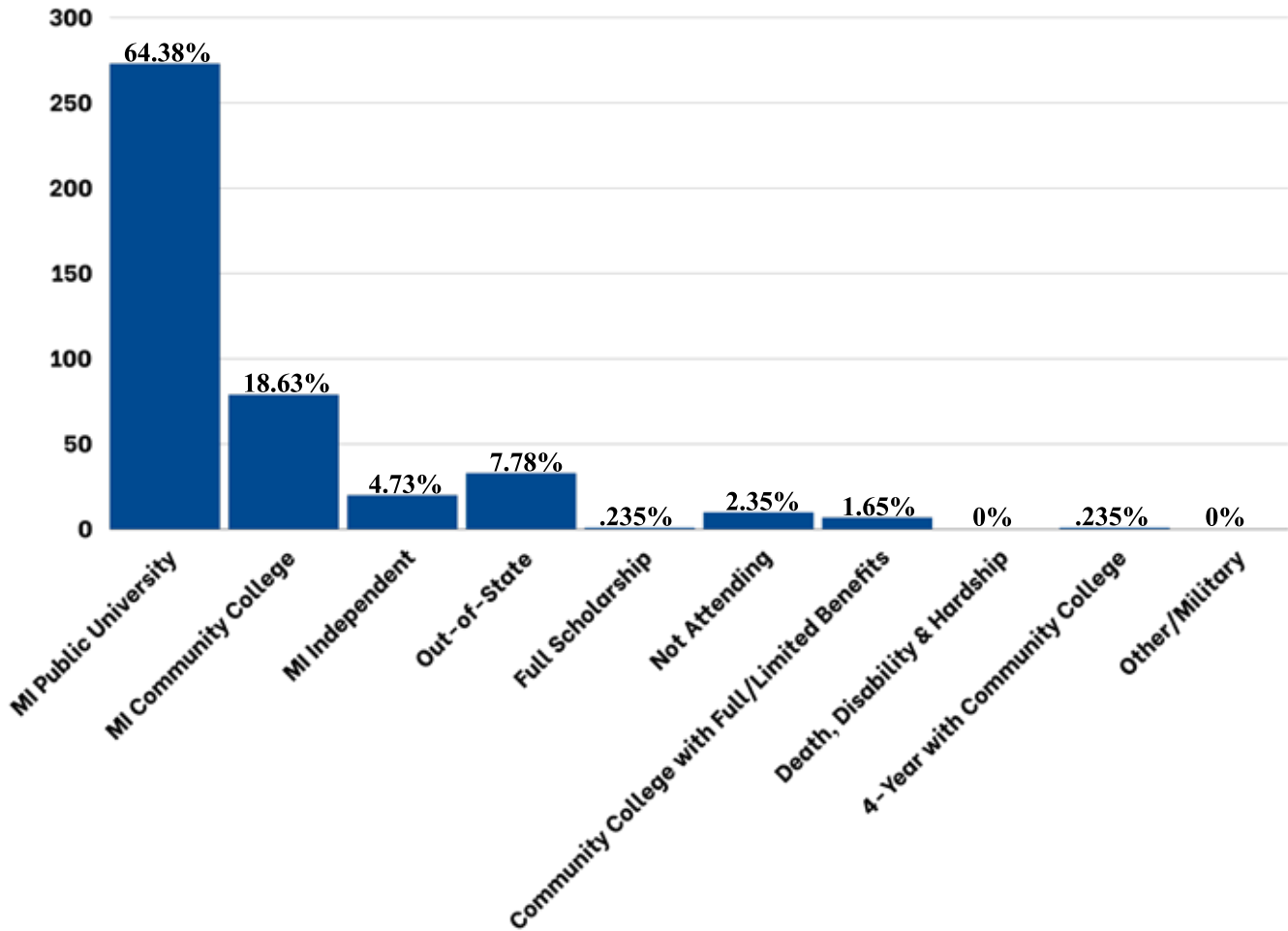
Beneficiary is Expected to Attend College
Under Plans B & C

As of September 30, 2023



Contracts in Payment Status

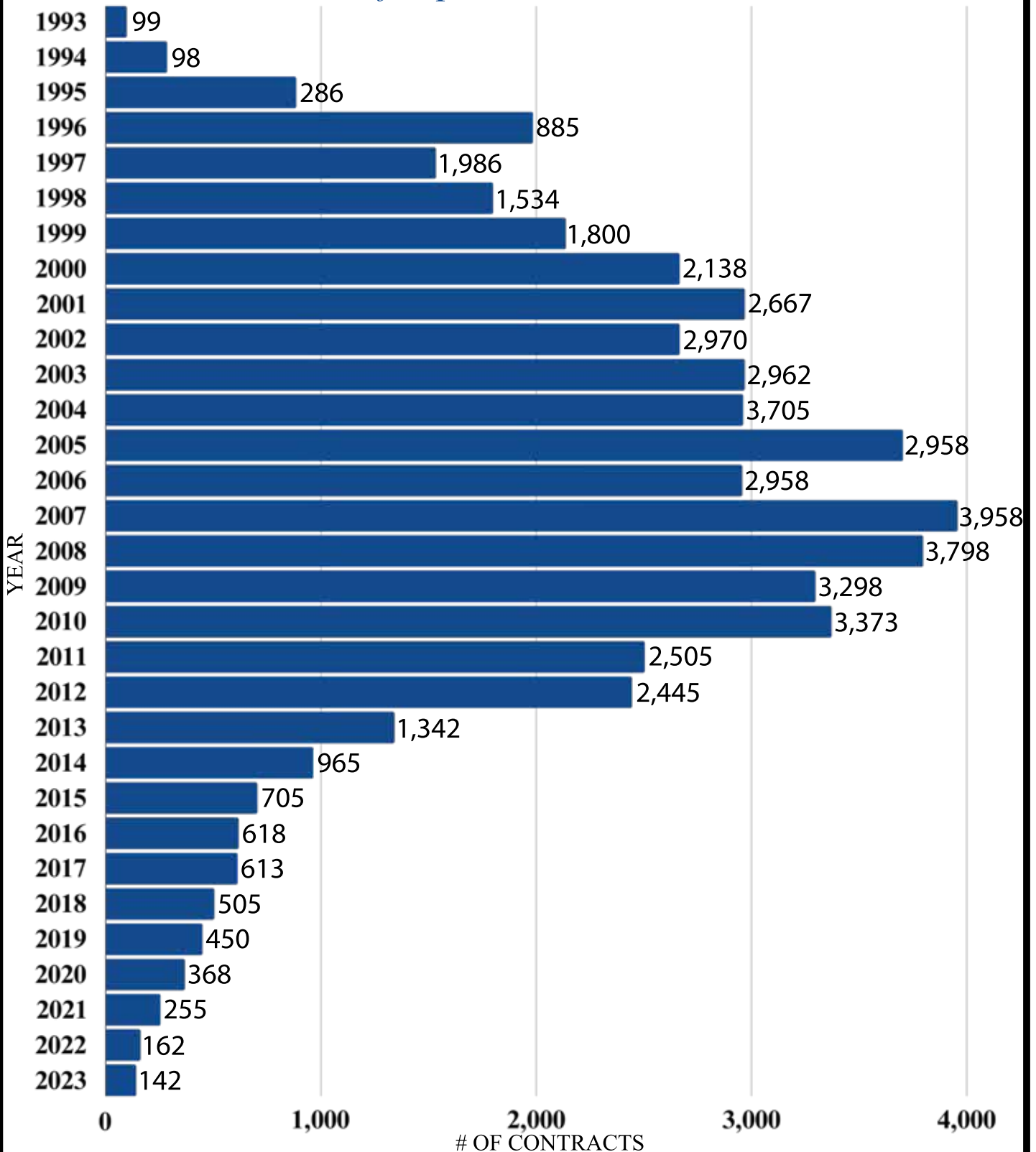
*Under Plans B & C
As of September 30, 2023*



Contracts Paid in Full

Under Plans B & C

As of September 30, 2023



STAY UP-TO-DATE

Need to update your MET contract?

You can access your contract online. Setting up your online access is quick and easy. Online access allows you to easily check the status of your contract, view payment history and update your MET contract, such as;

- Update Address, 2775
- Add/Change Appointee, 4502
- Transfer MET Educational Benefits, 2781
- Change Refund Designee, 2777
- Use MET Benefits, 3181
- Transfer Schools, 2779

Forms can also be mailed to you upon request. Call MET at 1-800-MET-4-KID (638-4543).

Stay Up-To-Date

Stay up-to-date with MET news by following the Michigan Education Trust on social media. Be the first to hear about upcoming events, webinars, office closures and special MET announcements on our Facebook, Twitter, YouTube and Instagram accounts.



MET FUN FACTS

Over **2,200** MET plans have been purchased by people who were Beneficiaries of a MET plan themselves.

As of 2023, MET has sold over 117,000 contracts.

MET's total assets (at market value) are over **\$1.032 billion**.

In 2023, nearly **1,400** MET students attended a private or out-of-state college.



In 2023, over **9,000** beneficiaries used their MET at a MI public college.



Enrollment is open year-round!



Enrollment is open year-round so you can purchase additional benefits as needed at any time! MET's Pay-As-You-Go payment option remains popular, allowing Purchasers to buy benefits by credit hours rather than in semester increments. MET's Pay-As-You-Go payment option remains popular, allowing Purchasers to buy benefits by credit hours rather than in semester increments.

After the initial purchase of one credit hour, you can continue to make contributions at any time in increments as low as \$25. Once a contract has been opened, friends and family can also make contributions.



For more information, visit [SETwithMET.com](https://www.setwithmet.com) or call **800-MET-4-KID (638-4543)** to request an enrollment kit.

THE MET STAFF

Diane Brewer, *Executive Director*

Megan Patino, *Deputy Director*

Matt Wolcott, *Operations Manager*

Heather Barthelmes, *Marketing Manager*

Nichole Dorr, *Accounting Manager*

Flora Boles, *Specialist*

Ingrid Clover, *Specialist*

Sarah Bancroft, *Student Assistant*

Brook Couch, *Student Assistant*

Ross Addison, *Departmental Analyst*

Amy Decker, *Departmental Analyst*

Donald Fewes, *Departmental Analyst*

Ratsamy Hakvongsa, *Accountant*

Jodi Hart, *Departmental Analyst*

Sheri Kapalczynski, *Executive Secretary*

Asha Mamidi, *Departmental Analyst*

Kristina McIntyre Singh, *Departmental Analyst*

Steven Miller, *Departmental Analyst*

Reesie O'Neal, *Departmental Analyst*

Jchon Patton, *Departmental Analyst*

Stacy Snow, *Departmental Analyst*

Teresa Spagnuolo, *General Office Assistant*



SETwithMET.com
800-MET-4-KID

Michigan Department of Treasury