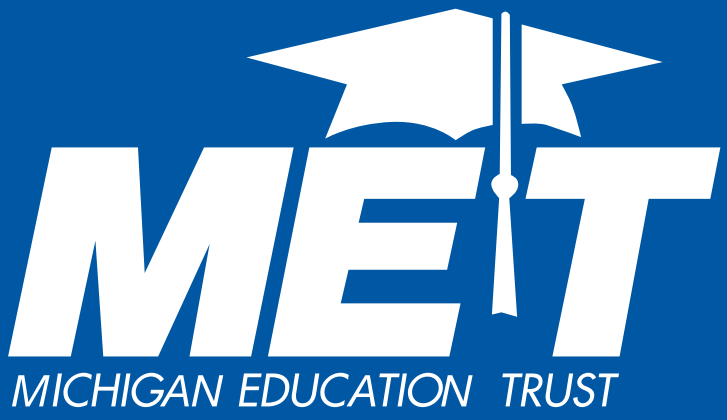
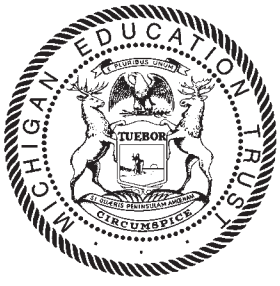


2023-2024 ANNUAL REPORT

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 (638-4543).

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187 (Rev. 01-19)

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 2025

Dear MET Purchaser:

We are pleased to present the Fiscal Year 2023-24 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, 2024 The full report is accessible at: Plans B & C Actuary's Report.

The Independent Auditor's Report, for the same 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, allowing you to make contributions, purchase additional benefits, or open contracts for new Beneficiaries at any time! New in 2025, MET is waiving the processing fee and lowering the required initial contribution amount for new contracts. After the initial contribution of $25, you can continue to make contributions at any time in increments as low as $25. Once a contract is opened, friends and family can also make contributions. For more information, visit 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). You may also e-mail MET at **TreasMET@Michigan.gov**.

Sincerely,

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 Wiser Group

DR. PHILOMENA V. MANTELLA
Representing Four-Year Public Colleges & Universities
President, Grand Valley State University

DR. CHARLES LEPPER
Representing Community Colleges
President, Grand Rapids 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

DR. 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

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

January 8, 2025

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, 2024. 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, 2024.

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, 2024. We reviewed this information for internal and year-to-year consistency, but did not audit the data.

As of September 30, 2024, the present value of all future tuition obligations under contracts outstanding (and including estimated future administrative expenses) at that date is $28.9 million. Fund assets as of September 30, 2024, including only the market value of program assets, are $103.2 million. The difference between the fund assets of $103.2 million and program obligations of $28.9 million represents a program surplus of $74.2 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, 2017, to September 30, 2023, and were adopted for use commencing with the September 30, 2024 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, 2024. 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, 2024. Additional information regarding actuarial assumptions and methods, and important additional disclosures are provided in the full actuarial soundness valuation report as of September 30, 2024, 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

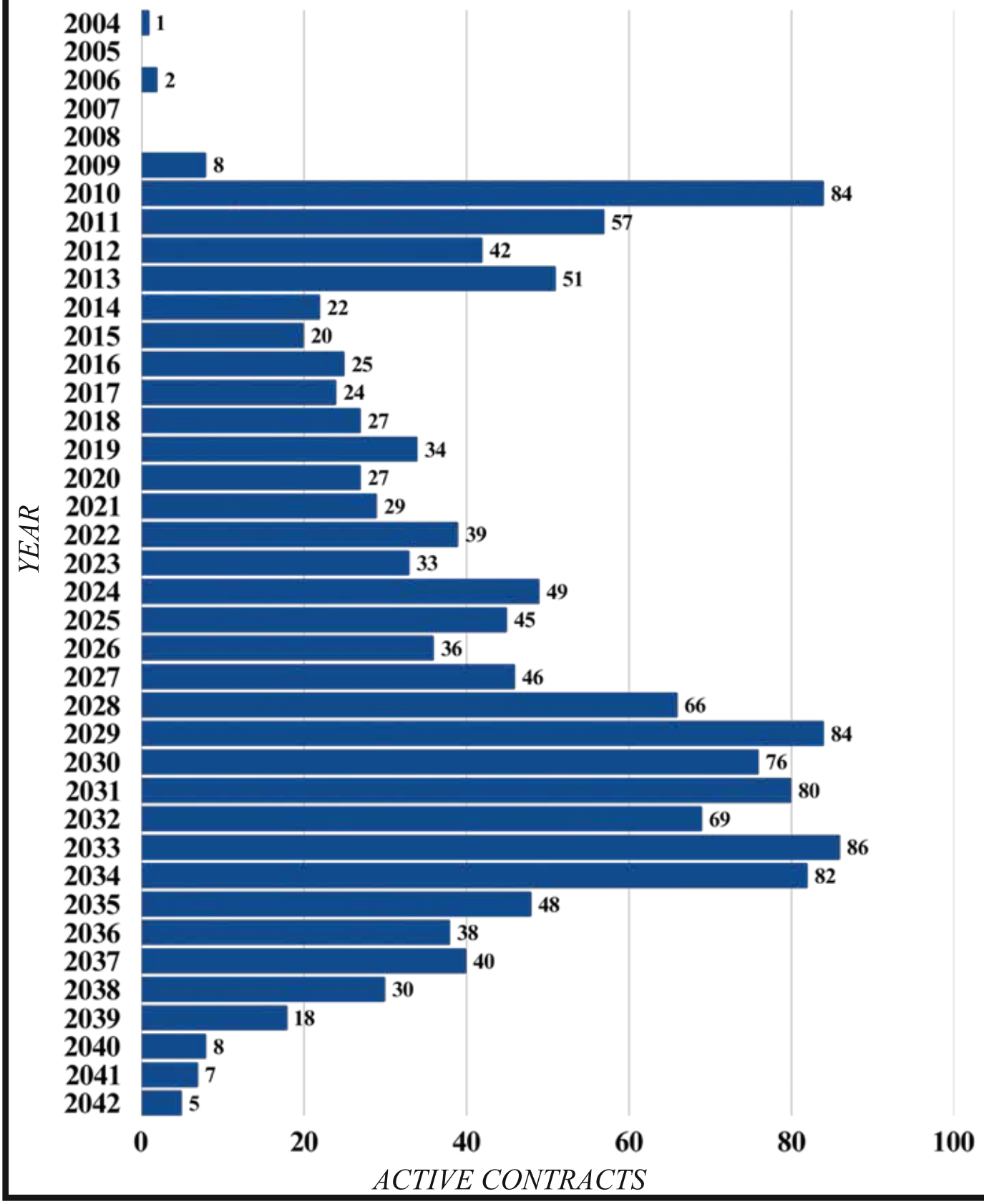
Paul T. Wood, ASA, FCA, MAAA
Senior Consultant and Actuary

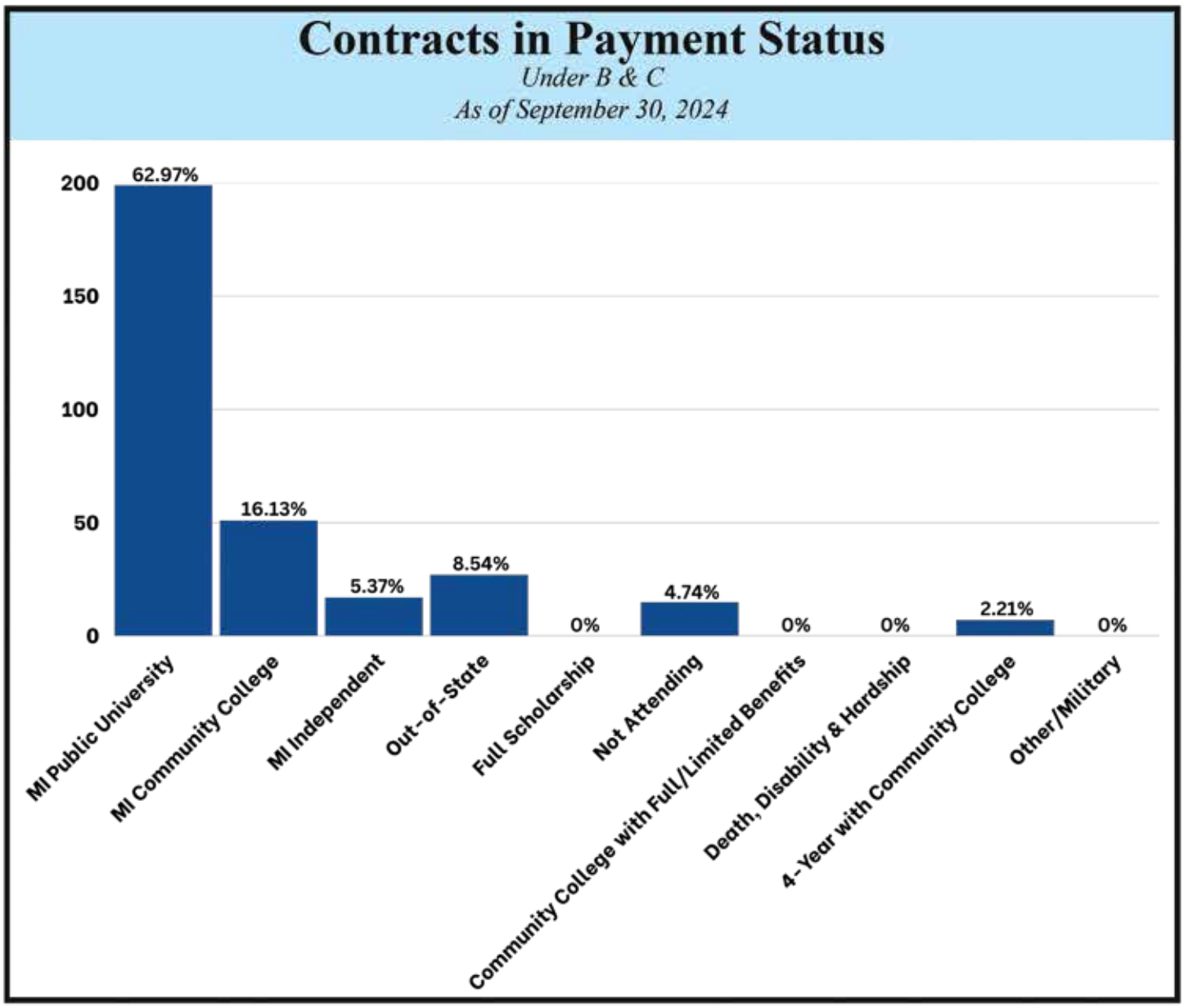
James R. Sparks, ASA, FCA, MAAA
Consultant and Actuary

MICHIGAN EDUCATION TRUST
CONTRACT USAGE CHARTS

Contracts by Academic Year

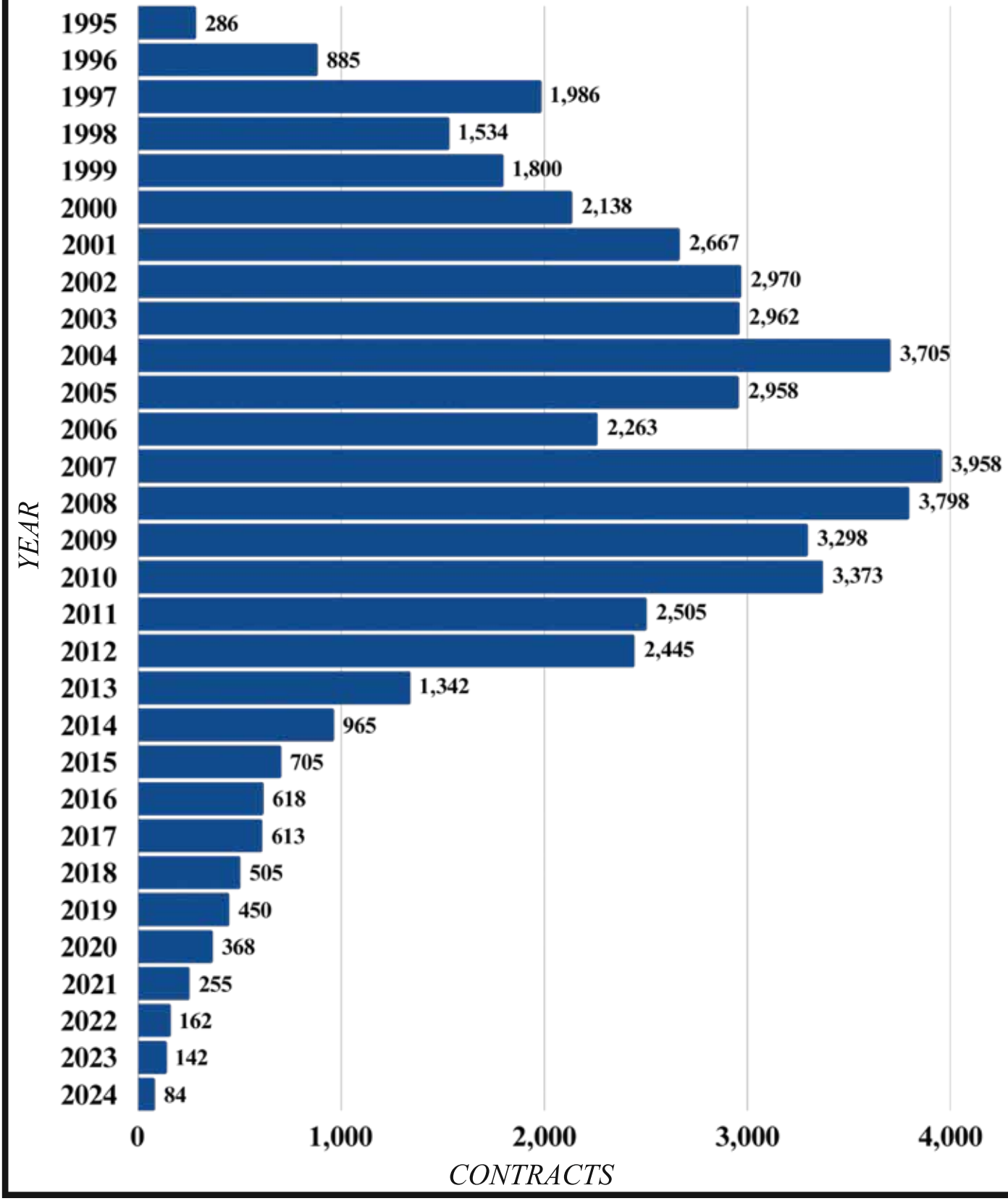
Beneficiary is Expected to Attend College
Under Plans B & C
As of September 30, 2024




Contracts in Payment Status
Under B & C
As of September 30, 2024
200
150
100
50
0
62.97%
16.13%
5.37%
8.54%
0%
4.74%
0%
0%
2.21%
0%
MI Public University
MI Community College
MI Independent
Out-of-State
Full Scholarship
Not Attending
Community College with Full/Limited Benefits
Death, Disability & Hardship
4-Year with Community College
Other/Military

Contracts Paid in Full

Under Plans B & C
As of September 30, 2024



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 Appointtee, 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 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, X, YouTube and Instagram accounts.

MET FUN FACTS

Over **2,300** MET plans have been purchased by people who were Beneficiaries of a MET plan themselves.

As of 2024, MET has sold over **118,000** contracts.

MET's total assets (at market value) approx. **$1.17 billion**.

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

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

MICHIGAN EDUCATION TRUST

Enrollment is open year-round!

You can open a MET with as little as $25. After the initial contribution, you can continue to make contributions of a minimum of $25 at any time. Once a contract has been opened, friends and family can also make contributions.

Only the Purchaser's contributions may qualify for a State of Michigan tax deduction. Benefits grow tax free if used for qualified education expenses.

For more information, visit **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*

Ross Addison, *Departmental Analyst*

Marie Davis, *Departmental Analyst*

Amy Decker, *Departmental Analyst*

Donald Fews, *Departmental Analyst*

Ratsamy Hakvongsa, *Accountant*

Jodi Hart, *Departmental Analyst*

Sheri Kapalczynski, *Executive Secretary*

Asha Mamidi, *Accountant*

Kristina McIntyre Singh, *Departmental Analyst*

Steven Miller, *Departmental Analyst*

Reesie O'Neal, *Departmental Analyst*

Jchon Patton, *Departmental Analyst*

Teresa Spagnuolo, *General Office Assistant*

Tamara Toutant, *Departmental Analyst*

MICHIGAN EDUCATION TRUST

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800-MET-4-KID

Michigan Department of Treasury

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