T-Mobile Offers Infinite Upgrades with A Catch

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NEW YORK (AP) — T-Mobile is allowing people who participate in its $10-a-month Jump program to upgrade their phones anytime, eliminating the previous limit of two upgrades a year.

As introduced last summer, Jump participants get insurance to cover loss and damage, plus the right to upgrade before fully paying off the phone in installments over two years. The customer must turn in the old phone. There was a six-month waiting period before the first upgrade and a limit of two upgrades per year.

Starting Sunday, the waiting period and the upgrade limit are both eliminated.

The catch is that customers must have paid at least half of the phone's costs before turning it in. Typically, that means customers who have had the phones for less than a year would have additional payments to make right away.

But in an interview Thursday, marketing vice president Mike Katz said most customers will likely keep the phone for a year anyway.

"Most customers are upgrading phones when a new model of their device comes up," he said. "For the iPhone or (Samsung) Galaxy series, those customers (are upgrading) every single year."

All four national carriers have made pricing and plan adjustments over the past few months in response to each other's offers and to a proliferation of new phones from Apple, Samsung and other phone makers. For years, the national carriers all pretty much had the same offering. T-Mobile broke from the pack last March by introducing no-contract plans in which people paid for phones separately, in installments. That led T-Mobile to introduce the Jump program for frequent upgrades a few months later. Changes from other carriers followed.

Sunday's change brings T-Mobile's terms closer to what Verizon Wireless offers through its Edge program. Verizon customers could upgrade every 30 days, but must pay at least half of the phone's costs first. Unlike Jump, Edge doesn't carry a $10-a-month fee on top of the installment charges for the phone and the service charges for voice, text and data. But Jump includes insurance, which typically costs $8 a month already.

Sprint's Easy Pay program requires full payment before an upgrade, while AT&T limits upgrades to once a year, without any minimum payments required.

Existing participants will be allowed to keep the old Jump plan and forgo having to make up the payments if upgrading before the year. However, the waiting period

and the two-a-year limit apply.

Earlier this year, T-Mobile eliminated down payments for most phones. The down payments had been one factor in making the Jump plan expensive for frequent upgraders. For instance, a customer might have to pay a $150 down payment on a high-end phone when upgrading, while keeping the old phone would have meant paying only an installment payment of $20 or so a month.

With the elimination of down payments, there's no extra cost for upgrading once a year, other than the $10 monthly fee to cover the membership in the program.

T-Mobile said it is also extending the Jump program to tablets, so that customers can upgrade whenever a new model comes out. Previously, it was limited to smartphones.

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