

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Human Resources, Benefits Office – University of Washington – Voluntary Investment ProgramRECOMMENDED ACTION:

It is the recommendation of the Academic and Student Affairs Committee that the Board of Regents approve changes in section 10.4 of the UW Voluntary Investment Program (VIP) to allow “Third Party Trading”.

EXPLANATION OF PROPOSED CHANGES:Section 10.4 – Third Party Trading

The UW VIP is an Internal Revenue Code Section 403(b) supplemental retirement savings plan. VIP is designed to offer employees the option of tax-deferred retirement savings in any of four Fund Sponsors (Calvert, Fidelity, TIAA-CREF, or Vanguard), and does not include any employer matching funds.

The VIP currently allows only the participant to make investment allocation changes unless the UW Benefits Office approves an application for a third party due to a legal disability. With hundreds of funds available from four VIP Fund Sponsors, Participants are challenged to make appropriate investment decisions. A change to this provision would allow Participants to authorize a third party to act on their behalf to make allocation changes. The third party would be determined by the participant, and could include a spouse, financial planner or other party the Participant selects. The Participant must authorize such access directly with each Fund Sponsor, and is responsible for updating any changes to the permission. This change will not allow any payment of fees from the Plan.

Section 10.4 currently reads as follows:

10.4 Third Party Trading. The Participant is responsible for directing the investment of all funds invested through this Program, and cannot assign that responsibility to another party, except that directions may be given by the legal representative of a Participant or Beneficiary who is under a legal disability.

Accordingly, Section 10.4 would be amended, effective immediately, to read as follows:

10.4 Third Party Trading The Participant may assign responsibility for investment elections and other transactions under the Plan to another party, in such manor as may be determined from time to time by the UW Benefits Office.