

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Human Resources, Benefits Office – University of Washington Retirement Plan –
Changes to allow third party trading on their behalfRECOMMENDED ACTION:

It is the Recommendation of the Academic and Student Affairs Committee that the Board of Regents approve changes in section 6.6 of the UW Retirement Plan (UWRP) to allow participants to allow “Third Party Trading” on their behalf.

EXPLANATION OF PROPOSED CHANGES:Section 6.6 – Third Party Trading

The UWRP currently permits investment allocation changes to be made only by the participant unless the UW Benefits Office approves an application for a third party due to a legal disability. With over seventy five approved funds available from three Fund Sponsors, Participants are challenged to make appropriate investment decisions. A change to this provision would remove the third party trading prohibition and allow Participants to direct a third party to act on their behalf. The third party would be determined by the Participant, and could include a spouse, financial planner or any 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 6.6 currently reads as follows:

6.6 Third Party Trading The Participant is responsible for directing all funds invested under this Plan, 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.

A comprehensive review of all aspects of the UWRP is currently under way. However we have immediately identified this particular change as being beneficial to UWRP participants given the challenges of investing appropriately.

Accordingly, Section 6.6 would be amended, effective immediately, to read as follows:

6.6 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.