

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**University of Washington 401(a) Supplemental Retirement Plan AmendmentRECOMMENDED ACTION

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve amendment of the University of Washington 401(a) Supplemental Retirement Plan (the “Plan”), which is required in order to rely on the IRS determination letter received December 13, 2011.

BACKGROUND

The University of Washington Supplemental Retirement Program was split out from the University of Washington Retirement Plan by Regent action effective January 1, 2009. The Plan is a defined benefit plan intended to be qualified under Internal Revenue Code Section 401(a). The Plan was closed to new participants effective March 1, 2011 by Regent action.

EXPLANATION OF PROPOSED CHANGESSection 2.21 – Definition of “Washington State Retirement System”

Section 2 would be amended to add immediately following Section 2.20 a new section 2.21 and current Section 2.21 would be renumbered accordingly, effective January 1, 2009, to read as follows:

2.21. ‘Washington State Retirement System’ or ‘System’ means any retirement system paid for by the State of Washington and administered by the State of Washington Department of Retirement Systems.”

Section 5.1 – Eligibility for benefit

Section 5.1 currently reads as follows:

- 5.1. Eligibility for benefit. A Participant is eligible for a benefit under this Plan if, at retirement, all of the following are true:
- (a) The Participant has reached age 62 or retires under Section 4.2, and
 - (b) The number of his or her Years of Service is ten or more, and
 - (c) The amount of his or her benefit, as calculated under Section 5.2, is a positive amount.

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Section 5.1 would be amended, effective January 1, 2009, to read in its entirety as follows:

5.1. Vesting. A Participant vests in his or her benefit under this Plan if all of the following are true:

- (a) The Participant has reached age 62 while employed by UW or retires under Section 4.2, and
- (b) The number of his or her Years of Service is ten or more, and
- (c) The amount of his or her benefit, as calculated under Section 5.2, is a positive amount.

The vested benefit payable to the Participant shall commence upon the Participant's retirement.

REVIEW AND APPROVAL

The language of this proposed change is technical in nature and mandated by the IRS as a provision of providing a favorable determination letter for the UWSRP 401(a).