

WAC 415-111-230 Self-directed investment program allocation.

This section applies to members who invest in the self-directed investment program.

(1) **What is an allocation?** An allocation is a set of instructions identifying your choice of investment program funds and the percentage of your money you want to invest in each fund. The amount you allocate to each fund must be designated as a whole percentage, and the total must equal one-hundred percent.

Example: Martha has elected the self-directed investment program and is contributing \$150 per month. Martha decides to invest in three different funds with the following amounts: \$30 invested in fund #1, \$45 invested in fund #2 and \$75 invested in fund #3. To accomplish this she must establish the following allocation:

Allocation to fund #1	20%
Allocation to fund #2	30%
Allocation to fund #3	50%
Total Allocation	100%

(2) **How do I establish an allocation?** You must establish your allocation by contacting the department's designated recordkeeper. Once established, you may change your allocation according to the provisions in subsection (5) of this section.

(3) **What happens if I do not establish an allocation?** If you do not provide an allocation before the department's designated recordkeeper begins receiving your contributions, your money will be invested as follows:

(a) Your most recent allocation will be used if you previously participated in the self-directed investment program. However, if your allocation includes a fund or funds that are no longer available, the portion of your money allocated to the unavailable fund(s) will be invested in the default fund.

Example: After participating in the self-directed program, Linda terminates employment. Subsequently, she is reemployed and elects to participate in the self-directed investment program again. She does not provide an allocation. Linda's previous allocation was:

Allocation to fund #1	10%
Allocation to fund #2	40%
Allocation to fund #3	50%
Total Allocation	100%

Fund #2 is no longer available. Linda's future contributions will be allocated as follows:

Allocation to fund #1	10%
Allocation to Default Fund	40%
Allocation to fund #3	50%
Total Allocation	100%

(b) All of your money will be invested in the default fund if you do not meet the conditions in (a) of this subsection.

Example: Lew is a new member and elects the self-directed investment program, but does not establish an allocation. All of Lew's money will be invested in the default fund.

(4) **What is the default fund?** The default fund for the self-directed investment program is the Retirement Strategy Fund that assumes you will retire at age 65.

Example: Samantha was born in 1983. She will turn age 65 in 2048. The Retirement Strategy Fund closest to her age-65 retirement target date is the 2050 Retirement Strategy Fund. If Samantha does not establish an allocation per subsection (3) of this section, her money will be invested in the 2050 Retirement Strategy Fund.

(5) **Can I change my allocation?** You may change your allocation by contacting the department's designated recordkeeper. However, changes must be consistent with any restrictions on trading imposed by the funds involved. If necessary to protect the performance results of the investment program funds, the department may:

- (a) Limit the number of times you change allocations;
- (b) Limit the frequency of the changes;
- (c) Limit the manner of making changes; or
- (d) Impose other restrictions.

[Statutory Authority: Chapters 41.32, 41.34, 41.35, 41.50 RCW, RCW 41.34.130, 41.34.060, and 41.34.140. WSR 11-18-018, § 415-111-230, filed 8/26/11, effective 9/26/11. Statutory Authority: RCW 41.50.050(5) and chapter 41.34 RCW. WSR 08-18-058, § 415-111-230, filed 9/2/08, effective 10/3/08; WSR 06-03-098, § 415-111-230, filed 1/17/06, effective 2/17/06. Statutory Authority: Chapters 41.32, 41.34, 41.35, 41.50 RCW. WSR 01-01-059, § 415-111-230, filed 12/12/00, effective 1/12/01.]