



RULE-MAKING ORDER

(RCW 34.05.360)

CR-103 (7/22/01)

Agency: The Department of Community, Trade and Economic Development

- Permanent Rule
- Emergency Rule
- Expedited Rule Making

(1) Date of adoption: MARCH 11, 2002

(2) Purpose: To establish the rules governing the Developmental Disabilities Endowment Fund as directed in RCW 43.330.240

(3) Citation of existing rules affected by this order:

- Repealed:
- Amended:
- Suspended:

(4) Statutory authority for adoption: RCW 43.330.240
Other Authority:

PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR 01-22-111 on November 7, 2001.
Describe any changes other than editing from proposed to adopted version: See Attached

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

- (a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- (b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

(5.3) Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?:

- Yes
 - No
- If Yes, explain:

(6) Effective date of rule:

Permanent Rules

- 31 days after filing
- Other (specify) _____ *

Emergency Rules

- Immediately
- Later (specify) _____

* (If less than 31 days after filing, specific finding in 5.3 under RCW 34.05.380(3) is required)

CODE REVISER USE ONLY

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STATE OF WASHINGTON
FILED

MAR 12 2002

TIME 125 AM
WSR 02-07-026 PM

Name (Type or Print)

Martha Choe

Signature

Title

Director

Date

3/25/02

(COMPLETE REVERSE SIDE)

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.

The number of sections adopted in order to comply with:

Federal statute:	New	Amended	Repealed
Federal rules or standards:	New	Amended	Repealed
Recently enacted state statutes:	New <u>38</u>	Amended	Repealed

The number of sections adopted at the request of a nongovernmental entity:

New	Amended	Repealed
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The number of sections adopted in the agency's own initiative:

New	Amended	Repealed
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	Amended	Repealed
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The number of sections adopted using:

Negotiated rule making:	New	Amended	Repealed
Pilot rule making:	New	Amended	Repealed
Other alternative rule making:	New	Amended	Repealed

Section	Change
WAC 365-220-015	<p>There were three changes in this section:</p> <ol style="list-style-type: none"> 1. The eligibility requirements have been removed from the definition of beneficiary. 2. "Disbursement Manager" has been changed to "Trust Manager" to coincide with the master trust documents. This change is applied to the entire Chapter. 3. The definition of vest has been changed to improve clarity.
WAC 365-220-020	<p>The Agency has added that upon request, the Trust Manager will provide a written explanation of disbursement denials.</p>
WAC 365-220-025	<ol style="list-style-type: none"> 1. This section has been changed to emphasize that disbursements will primarily be used for supplemental needs. 2. The purchase of a vehicle has been added to item twelve (12) as a type of allowable disbursement. 3. Item fourteen (14) has been changed to clarify that presents are an allowable type of disbursement when they are for the beneficiary to give to others.
WAC 365-220-035	<p>This is a new section that clarifies that there are no restrictions on when disbursements can be requested. The numbering of all sections following this section have been changed to reflect this insertion.</p>
WAC 365-220-040	<p>This section has been changed to improve clarity.</p>
WAC 365-220-045	<p>This section has been changed to add the clarification that the disposition plan may be changed by court order or other dispute resolution mechanism allowed by law.</p>
WAC 365-220-050	<p>This section now includes the clarification that disputes may precede beyond the Governing Board or its designee, as implied in WAC 365-220-055.</p>
WAC 365-220-060	<p>The eligibility requirements have been changed to increase clarity.</p>

WAC 365-220-065	This section has been changed to improve clarity.
WAC 365-220-070 and WAC 365-220-075	Both these sections have been changed to give the Governing Board more flexibility when the eligibility status of a beneficiary changes.
WAC 365-220-080	There were several changes in this section: <ol style="list-style-type: none">1. Under State Investment Board Fees, Chapter 43.84.160 RCW has been added at the request of the State Investment Board.2. Under State Treasurer Fees, it has been clarified that these fees will be paid from the Fund.3. Under Annual Management Fees, tax filing services has been deleted because these services will be paid through a separate fee. In addition, language has been added indicating that the Governing Board has the authority to establish a minimum and a maximum Annual Management Fee.4. Under Enrollment Fee, the statement that a minimum of \$200.00 is due at the time of enrollment has been deleted. In addition, language has been added that gives the Governing Board the authority to raise the Enrollment Fee within the Initiative 601 limits.5. The Trust Manager Fees explanation has been changed to improve clarity.6. Tax Filing Fees has been changed to Tax Filing and Preparation Fees as the Trust Fund will both prepare and file taxes for individual trust accounts.7. Fees for Locating Remainder Beneficiaries has been changed to explain that such fees will only be assessed against accounts requiring this service.
WAC 365-220-085	This section has been changed to improve clarity and indicate that the Governing Board may open more reserved spaces in the future.

WAC 365-220-095	This section was changed for clarity and to explain that the Governing Board has the responsibility to determine the disposition of any remaining funds.
WAC 365-220-105	This section was changed to improve clarity and to add the State Investment Board to the list of entities that make no guarantees regarding returns on investments.
WAC 365-220-110	This section has been changed to improve clarity.
WAC 365-220-115	This section has been changed to improve clarity.
WAC 365-220-120	This section has been changed to clarify the distinction between vesting and maintaining an active account. The table showing examples of accounts that would vest after three years has been expanded for further clarification.
WAC 365-220-125	This section has been changed to clarify the distinction between vesting and maintaining an active account. The table showing examples of accounts that would vest after three years has been moved to the previous section.
WAC 365-220-130	This section has been changed for clarity and to remove the specified time that primary representatives will be notified prior to the losing access to state matching money.
WAC 365-220-135	This section has been changed to improve clarity.
WAC 365-220-140	This section has been changed to improve clarity.
WAC 365-220-145	This section has been changed to emphasize that state matching money is not available for private contributions withdrawn in the same year that they are contributed. In addition, it has been changed to add that the Governing Board has the authority to change the matching rate on contributions.

WAC 365-220-150	This section has been changed to improve clarity and to indicate that the Governing Board has the authority to change the maximum lifetime contributions eligible for state matching money.
WAC 365-220-155	This section has been changed to improve clarity and to add that the Governing Board has the authority to change the maximum annual contributions eligible for state matching money.
WAC 365-220-160	This section has been changed to improve clarity.
WAC 365-220-165	This section has been changed to improve clarity.
WAC 365-220-170	This section has been changed to improve clarity.
WAC 365-220-175	This section has been changed to improve clarity.
WAC 365-220-180	This section has been changed to improve clarity.
WAC 365-220-185	This section has been changed to explain that the Governing Board has the authority to increase the enrollment match, and specify that the enrollment match may be earned prior to vesting but may not be spent prior to vesting.
WAC 365-220-190	This section was changed to remove the dollar amount at which the annual management fee match begins. This section now specifies that the annual management fee match may be earned prior to vesting but may not be spent prior to vesting.

Chapter 365-220 WAC

DEVELOPMENTAL DISABILITIES ENDOWMENT TRUST FUND

GENERAL

NEW SECTION

WAC 365-220-005 What is the purpose and scope of this chapter? The purpose of this chapter is to establish the rules for the developmental disabilities endowment trust fund to implement RCW 43.330.195 through 43.330.240.

NEW SECTION

WAC 365-220-010 How may a member of the public appear before the governing board? Members of the public may appear before the governing board at their regularly scheduled meetings or submit written comments to the governing board for consideration at their regularly scheduled meetings. Requests for meeting schedules and agendas should be made to the program manager.

NEW SECTION

WAC 365-220-015 What definitions apply to this chapter? **"Beneficiary"** means an eligible person for whom an individual trust account has been established within the trust fund.

"Department" means the department of community, trade and economic development, office of community development.

"Disbursement plan" means a plan, submitted by the primary donor at the time of enrollment as part of the joinder agreement,

that identifies the goods or services most likely to be appropriate to the supplemental needs of the beneficiary. The primary donor may periodically change the disbursement plan by amending the joinder agreement.

"Disposition plan" means a plan, submitted by the primary donor at the time of enrollment as part of the joinder agreement, that directs how any remaining private funds will be disbursed from the individual trust account on the death of the beneficiary.

"Governing board" means the seven-member group established according to RCW 43.330.210 to design and administer the trust fund.

"Individual trust account" means the account that holds assets for the benefit of an individual beneficiary within the trust fund.

"Joinder agreement" means an agreement establishing the primary donor's consent to the master trust document for the trust fund. The joinder agreement shall include the disbursement plan and the disposition plan for the individual trust account, and designate the primary representative and additional persons authorized to request disbursements.

"Primary donor" means the person who sets up an account for a beneficiary and submits and signs the joinder agreement. Under conditions described in the master trust document, the primary donor may be the beneficiary.

"Primary representative" means the person named in the joinder agreement with whom the governing board and/or the trust manager is authorized to communicate regarding an individual beneficiary's interests.

"Program manager" means the person designated by the department to manage the developmental disabilities endowment fund and act as the department liaison with other state agencies to facilitate governing board activities.

"Resident" means a person who lives in the state of Washington. For purposes of the trust fund, a beneficiary must be a resident.

"Trust manager" means the person or persons or entity designated by the governing board pursuant to RCW 43.330.200 to authorize disbursements from the trust fund. The trust manager is authorized to make disbursements in its discretion consistent with and as authorized under this chapter and will consider the disbursement plan filed by the primary donor as part of the joinder agreement when making decisions regarding disbursements. The trust manager shall take into account how any individual disbursement will affect the ability of the account to sustain the needed disbursements over a significant portion of the beneficiary's anticipated remaining life.

"Vested account" means an account that has initially qualified for matching funds by meeting requirements over a three-year period.

DISBURSEMENTS

NEW SECTION

WAC 365-220-020 Who authorizes disbursements? The trust manager will review all disbursement requests submitted by persons authorized in the joinder agreement. Only the governing board and/or the trust manager may authorize disbursements. In the event of disbursement denial, the trust manager will provide a written explanation for such a denial on the request of the primary representative.

NEW SECTION

WAC 365-220-025 What types of disbursements are allowed? Recommended supplemental services and supports include, but are not limited to:

- (1) Education, information, and training opportunities.
- (2) Living arrangements, including personal assistance services, skill building, financial management, medical monitoring, meal preparation, shopping, home maintenance, and house cleaning.
- (3) Unusual or extraordinary disability-related shelter expenses.
- (4) Capital expenses, including environmental modifications and transportation.
- (5) Employment supports and tuition.
- (6) Social productivity and personal fulfillment activities, such as volunteering, club membership, and recreation.
- (7) Assistive technology, including computers and electronic equipment.
- (8) Specialized clothing, or clothing not covered by public benefits.
- (9) Respite care.
- (10) Disability-related support groups.
- (11) Medical care, counseling, therapies, and other health related services, including alternative practitioners, not covered by public benefits.
- (12) Utility and transportation costs, including the purchase of a vehicle.
- (13) Vacation, travel, and recreation.
- (14) Birthday and holiday presents for the beneficiary to give to others.
- (15) Advocacy and legal services.
- (16) Individual trust account expenses including enrollment,

bookkeeping, tax return preparation and filing, tax payments, annual management expenses, and other trust related fees.

(17) Items the trust manager deems appropriate and reasonable within the guidelines of the governing board.

NEW SECTION

WAC 365-220-030 Who may request disbursements on behalf of the beneficiary? The primary representative and any additional persons designated by the primary donor in the joinder agreement may make disbursement requests on behalf of the beneficiary. The primary donor may amend this part of the joinder agreement.

NEW SECTION

WAC 365-220-035 When may disbursements be requested? Disbursements may be requested at any time after the enrollment process is completed.

DISPOSITION PLAN

NEW SECTION

WAC 365-220-040 What happens to an account when the beneficiary dies? At the time of enrollment, the primary donor will designate in the joinder agreement how any remaining private funds, and any earnings attributable to remaining private funds, will be distributed on the death of the beneficiary. The primary donor will indicate the amount of funds to be disbursed and to whom they will be disbursed. In some cases, state and federal law may require certain distributions of remaining funds notwithstanding the disposition plan. When an individual trust account is closed by reason of the death of the beneficiary, the unexpended state matching money and any earnings attributable to the unexpended state matching money revert to the developmental disabilities endowment trust fund.

NEW SECTION

WAC 365-220-045 Can the disposition plan be changed? Once an individual trust account is funded, the primary donor cannot amend the joinder agreement to change the disposition plan. A change to the disposition plan may be made only by court order or other dispute resolution mechanism available under state law, including a nonjudicial resolution of dispute agreement under chapter 11.96A RCW.

DISPUTES

NEW SECTION

WAC 365-220-050 What decisions may be appealed? Primary donors or primary representatives may appeal governing board decisions, or decisions made on the governing board's behalf, regarding enrollment, account closure, disbursement decisions, extensions related to matching funds, and access to matching funds. For decisions made by contracting agencies or individuals, the dispute must first be addressed through the agency's or individual's dispute process. If the dispute is not resolved at that level, the appellant will have the option of appealing to the governing board or its representative.

NEW SECTION

WAC 365-220-055 What is the dispute process? (1) To appeal a board decision, a primary donor or primary representative must send a letter addressed to the program manager at the department. The letter of appeal must be signed by the appealing party and be received by the program manager within thirty calendar days of the date of the decision. The letter must include:

- (a) The name and mailing address of the appealing party;
- (b) A description of the decision being appealed; and

(c) A statement explaining why the appealing party believes the decision was incorrect, outlining the facts surrounding the decision and including supporting documentation.

(2) On receiving the letter of appeal, the program manager will send written notice to the appealing party within fourteen days, confirming the appeal has been received and indicating when a decision can be expected.

(3) The governing board or its designee will conduct appeals according to RCW 34.05.485. The governing board or its designee will review and decide the appeal based on the submitted documents unless the governing board or its designee and the appealing party agree to hold a hearing in person or by telephone.

(4) The program manager will send the appealing party written notification of the governing board or its designee's initial decision within ninety days of receiving the letter of appeal. The notice will include the reasons for the initial decision, and instructions on further appeal rights.

(5) The initial decision of the governing board or its designee becomes the final decision unless the program manager receives a request for a review hearing from the appealing party within thirty days of the date of the decision. The appealing party may, by written notice, request review of the initial decision. The person requesting review must reference the initial decision and provide any additional written information that the appealing party would like considered in the review. A review officer designated by the governing board will review the decision through a hearing conducted under RCW 34.05.488 through 34.05.494.

(6) The officer will review and decide the appeal based on submitted documents unless the governing board or its designee and the appealing party agree to hold a hearing in person or by telephone.

(7) The review officer will make any inquiries necessary to determine whether the proceeding must become a formal adjudicative proceeding under the provisions of chapter 34.05 RCW.

(8) If the appealing party disagrees with a review decision under subsection (6) of this section, the appealing party may request judicial review of the decision, as provided for in RCW 34.05.542. Request for judicial review must be filed with the court within thirty days of service of the final agency decision.

ELIGIBILITY

NEW SECTION

WAC 365-220-060 Who is eligible to be a beneficiary in the trust fund? Individuals are eligible to be beneficiaries if they meet two conditions at the time of enrollment:

- (1) Beneficiaries must reside in Washington state; and
- (2) Must meet the definition of developmental disability in RCW 71A.10.020(3).

NEW SECTION

WAC 365-220-065 How is eligibility determined? At the time of enrollment, a prospective beneficiary must meet the definition of developmental disability in RCW 71A.10.020(3), as determined by a representative of the division of developmental disabilities of the department of social and health services. The primary donor must make arrangements for notification of this determination to be sent to the trust fund office.

NEW SECTION

WAC 365-220-070 What happens if a beneficiary moves out of the state of Washington? If the beneficiary moves out of the state of Washington, the governing board may elect, in its discretion, one of three options:

A The balance of the beneficiary's individual trust account will be placed in another existing special needs trust established for the beneficiary. Any costs relating to the transfer will be charged to the beneficiary's individual trust account.

-OR-

B The individual trust account will remain open, and the account will be assessed fees at a level that will support all costs of maintaining the account. The beneficiary will no longer be eligible for the state match as of the date the beneficiary ceases to be a resident of Washington.

-OR-

C The beneficiary's individual trust account will be terminated and distributed as if the beneficiary had died.

The primary representative is required to notify the trust manager if the beneficiary moves out of the state of Washington.

NEW SECTION

WAC 365-220-075 What happens if a beneficiary is determined to no longer meet the Washington state definition of developmental disability in RCW 71A.10.020(3)? If the beneficiary is determined to no longer meet the definition of a person with a developmental disability in RCW 71A.10.020(3), the governing board may elect, at its discretion, one of three options:

A The balance of the beneficiary's individual trust account will be placed in another existing special needs trust established for the beneficiary. Any costs relating to the transfer will be charged to the beneficiary's individual trust account.

-OR-

B The beneficiary's individual trust account will remain open, and the account will be assessed fees at a level that will support all costs of maintaining the account. The beneficiary will no longer be eligible for the state match as of the date the beneficiary is determined to no longer meet the definition of a person with a developmental disability in RCW 71A.10.020(3).

-OR-

C The trust manager will make or direct distributions to or for the benefit of the beneficiary.

The primary representative is required to notify the trust manager if the beneficiary is found to no longer meet the definition of a person with a developmental disability in RCW 71A.10.020(3).

FEEES

NEW SECTION

WAC 365-220-080 What fees must be paid to enroll in and participate in the trust fund? The following fees may be charged by entities or individuals associated with the developmental disabilities endowment trust fund as a condition of participation:

(1) State investment board fees. All investment and operating costs associated with the investment of money shall be paid to the

state investment board from the trust fund, as required by RCW 43.33A.160 and 43.84.160.

(2) State treasurer fees. Fees charged for the services of the state treasurer will not exceed .00274% per day while funds remain in the custody of the state treasurer, as specified in RCW 43.08.190. State treasurer fees will be deducted from the trust fund.

(3) Annual management fees. An annual management fee will be charged to each individual trust account for services including bookkeeping, banking services, governing board and department activities, legal services, and other expenses deemed necessary by the governing board. The governing board shall authorize all changes in the annual management fees. The governing board may establish a minimum and a maximum annual management fee. Primary representatives of existing accounts will be notified sixty days in advance of the effective date of any changes in the minimum or maximum annual management fees.

(4) Enrollment fees. Each individual trust account will be charged a six hundred dollar enrollment fee. The governing board may increase the enrollment fee on an annual basis, within the limits set forth in RCW 43.135.055. The governing board shall authorize all changes in enrollment fees.

(5) Trust manager fees. Fees for trust manager services will be charged by the entity under contract for trust management according to the terms of the contract between the trust manager and the developmental disabilities endowment trust fund. Current fee levels will be disclosed prior to enrollment. The governing board shall authorize all changes in the trust manager fees. Primary representatives of existing accounts will be notified sixty days in advance of the effective date of any changes in trust manager fees.

(6) Tax return preparation and filing fees. As necessary, the fees associated with preparing and filing tax returns for individual trust accounts will be deducted from those accounts. Current fee levels will be disclosed prior to enrollment. The governing board shall authorize all changes in tax return preparation and filing fees. Primary representatives of existing accounts will be notified sixty days in advance of the effective date of any changes in tax return preparation and filing fees.

(7) Fees for locating remainder beneficiaries named in the disposition plan. The trust fund reserves the right to charge fees to cover the costs associated with locating any remainder beneficiary under the disposition plan. Fees for locating a remainder beneficiary of an individual trust account will be levied only against such accounts.

NEW SECTION

WAC 365-220-085 Is it possible to be placed on the list for state matching funds, and delay payment of the enrollment fees? Yes. At the time the program initially opens, there will be one hundred spaces reserved for delayed enrollment. For the first one hundred people who request delayed enrollment and meet all eligibility requirements, state matching money will be reserved for one year. Reserved spaces for delayed enrollment fees will be awarded on a first come, first served basis. The governing board may use its discretion to set aside additional spaces for delayed enrollment.

NEW SECTION

WAC 365-220-090 Are fees refundable? No. Fees are not refundable.

NEW SECTION

WAC 365-220-095 What happens when fees are past due? Accounts with fees that are not paid for a period of ninety days will be closed. The primary representative of an account will be sent notification that the account will be closed prior to its closure. The trust manager will make a determination regarding the disposition of any remaining money in the individual trust account.

TRANSFERRING ACCOUNTS

NEW SECTION

WAC 365-220-100 When and how may individual accounts be transferred? A primary representative may request governing board approval for a transfer of an account to another special needs trust. This must be done through written correspondence to the governing board stating the reasons for the request. The governing

board shall review all requests for transfers. Only the governing board or its designee may approve transfers.

MATCHING MONEY AND EARNINGS

NEW SECTION

WAC 365-220-105 Are there any guarantees related to the availability of matching money or earnings on investments? No. There is no guarantee that any individual trust account will receive matching money from the state of Washington or from any other source. The availability and extent of the state match is dependent on the availability of matching money in the trust fund. The governing board has the exclusive discretion to determine availability.

The state of Washington, the state investment board, and the governing board make no guarantee related to the return on investments of money placed in the individual trust accounts or in the trust fund.

NEW SECTION

WAC 365-220-110 Who establishes matching policies? All matching policies applicable to state matching money are established by the governing board.

NEW SECTION

WAC 365-220-115 How will access to state matching money be determined? The state matching money is limited. Individual trust accounts will be assigned access to state matching money on a first come, first served basis. Matching policies apply only to those individual trust accounts that have been assigned access to matching funds.

NEW SECTION

WAC 365-220-120 **How does an individual trust account initially qualify to receive state matching money?** Individual trust accounts become vested, or initially qualified to receive state matching money, by meeting requirements over a three-year period. Accounts vest by accumulating a minimum of twenty-five dollars per month of private contributions for three consecutive years. This may be accomplished through regular, periodic, or one time only contributions. However, contributions will not be credited for past months for the purposes of vesting. If the minimum contributions are withdrawn during the three-year vesting period, the account will not vest. Below are three examples of individual trust accounts that would vest after three years. In these examples, at least twenty-five dollars a month is contributed into the accounts. Contributions in excess of twenty-five dollars may be applied to future months for the purpose of vesting, but may not be applied to past months.

MONTH	ACCOUNT 1	ACCOUNT 2	ACCOUNT 3
1	\$25.00	\$300.00	\$900.00
2	\$25.00		
3	\$25.00		
4	\$25.00		
5	\$25.00		
6	\$25.00		
7	\$25.00		
8	\$25.00		
9	\$25.00		
10	\$25.00		
11	\$25.00		
12	\$25.00		
13	\$25.00	\$300.00	
14	\$25.00		
15	\$25.00		
16	\$25.00		
17	\$25.00		
18	\$25.00		
19	\$25.00		
20	\$25.00		
21	\$25.00		
22	\$25.00		
23	\$25.00		
24	\$25.00		
25	\$25.00	\$300.00	
26	\$25.00		
27	\$25.00		
28	\$25.00		
29	\$25.00		

MONTH	ACCOUNT 1	ACCOUNT 2	ACCOUNT 3
30	\$25.00		
31	\$25.00		
32	\$25.00		
33	\$25.00		
34	\$25.00		
35	\$25.00		
36	\$25.00		
Total	\$900.00	\$900.00	\$900.00

NEW SECTION

WAC 365-220-125 How does an individual trust account maintain qualification for state matching money? After vesting, an individual trust account must maintain active participation in order to remain qualified for state matching money. Active participation is defined as the equivalent of twenty-five dollars of contributions into the individual trust account each month. This may be accomplished through regular, periodic, or one time only contributions. However, contributions will not be credited for past months during which active participation was not maintained. If the minimum contribution is withdrawn during the year it is contributed, the contribution will not count for purposes of qualification.

NEW SECTION

WAC 365-220-130 What happens when an individual trust account becomes inactive? When an individual trust account becomes inactive, it is no longer qualified to receive state matching money and will be removed from the list of individual trust accounts assigned access to state matching money. The primary representative of an individual trust account will be notified prior to that account's loss of assigned access to state matching money.

NEW SECTION

WAC 365-220-135 Are there time limits for earning the match? As long as an individual trust account qualifies for state matching money, the individual trust account can continue to receive the match for as long as it takes to receive the lifetime maximum.

NEW SECTION

WAC 365-220-140 Are extensions allowed? One twelve-month extension may be granted to each individual trust account to extend the time to become vested or to maintain active participation to receive the match. To obtain the extension, a written request must be approved by the governing board.

NEW SECTION

WAC 365-220-145 What is the matching rate on contributions? The state matching rate on private contributions is twenty-five percent, applied to the annual and lifetime maximums. The matching rate and maximums may be changed at the discretion of the governing board. State matching money is not available for private contributions withdrawn in the same year that they are contributed.

NEW SECTION

WAC 365-220-150 What is the amount of maximum annual contributions eligible for state matching money? The amount of maximum annual private contributions eligible for state matching money is three thousand one hundred dollars. The maximum annual state match available for each beneficiary is seven hundred fifty dollars. The amount of the state match is based on the amount of private contributions, and does not take into account any return on the investment of the private contributions. This maximum may be changed at the discretion of the governing board.

NEW SECTION

WAC 365-220-155 What is the amount of maximum lifetime contributions eligible for state matching money? The amount of maximum allowable lifetime private contributions eligible for state matching money is thirty-one thousand dollars. The maximum lifetime state match available for each beneficiary is seven thousand seven hundred fifty dollars. The amount of the state match is based on the amount of private contributions, and will not take into account any return on the investment of the private contributions. This maximum may be changed at the discretion of the governing board.

NEW SECTION

WAC 365-220-160 Is there a limit on individual savings? There is no limit on savings in an individual trust account; there is only a limit on the amount of state matching money for which an individual trust account will qualify.

NEW SECTION

WAC 365-220-165 May donors make lump sum contributions? Private contributions may be deposited regularly, or in one or more lump sums.

NEW SECTION

WAC 365-220-170 How many individual trust accounts for each beneficiary are eligible to receive state matching money? Each beneficiary may have only one individual trust account that is qualified to receive state matching money at any given time. Additional individual trust accounts may be established, but will not be eligible to receive state matching money unless the first account is closed. If the individual trust account qualified to receive state matching money is closed, another individual trust account may be qualified to receive state matching money, as allowed in WAC 365-220-175.

NEW SECTION

WAC 365-220-175 For beneficiaries with multiple individual trust accounts, how is it determined which individual trust account is eligible for state matching money? For beneficiaries with multiple individual trust accounts, the first individual trust account assigned access to the state match will be eligible to receive the state match, provided it is qualified.

If a beneficiary has only one individual trust account, and that account is closed after it has vested, the next individual trust account opened for that beneficiary and assigned access to state matching money will be eligible to receive matching funds, subject to the first come, first served policy.

If a beneficiary has multiple individual trust accounts, and if an individual trust account for which they have vested is closed, vesting and access to the match are automatically transferred to another individual trust account for that beneficiary, with the transfer made to the longest existing account first.

NEW SECTION

WAC 365-220-180 In what proportion are state matching funds spent? State matching money will only be disbursed from an individual trust account after that individual trust account has vested. For every disbursement made from an individual trust account that has vested, the amount of state matching money disbursed will be equal to the percentage of state matching money (plus the earnings on the state matching money) for which the individual trust account has qualified, multiplied by the amount of the disbursement.

NEW SECTION

WAC 365-220-185 What is the enrollment match? After two hundred dollars of the enrollment fee is paid, the enrollment fee will be matched at the rate of one dollar to one dollar. The maximum enrollment match is four hundred dollars per beneficiary. The governing board may increase the maximum enrollment match at its discretion. The enrollment match may be earned prior to vesting but may not be spent prior to vesting. Matching funds allocated for this purpose will not count against the beneficiary's maximum annual or lifetime match. The enrollment match will be credited to the individual trust account and begin to accumulate

earnings when the enrollment process is completed for that individual trust account.

NEW SECTION

WAC 365-220-190 What is the annual management fee match? The annual management fee match will be applied to individual trust accounts that are levied annual management fees in excess of two percent of the account balance. This match will be applied at a rate of one dollar for each dollar the annual management fee exceeds two percent of the account balance. This match only applies when two percent of the account balance is greater than the minimum annual management fee.

The annual management fee match may be earned prior to vesting but may not be spent prior to vesting. Matching funds allocated for this purpose will not count against the beneficiary's maximum annual or lifetime match.