

**ACTION ITEM #2**  
First Amendment to the  
Washington State University Voluntary Investment Program

TO ALL MEMBERS OF THE BOARD OF REGENTS

**SUBJECT:** Washington State University Voluntary Investment Program

**PROPOSED:** That the Board of Regents approve and adopt the attached First Amendment (hereafter Amendment) to the Washington State University Voluntary Investment Program to add Roth 403(b) accumulation accounts as investment alternatives for participants in the Program; and

That the Board of Regents authorize the officers of the University to take all necessary actions to implement the Amendment.

**SUBMITTED BY:** Greg Royer, Vice President for Business and Finance

**SUPPORTING  
INFORMATION:**

The Board of Regents has authority pursuant to RCW 28B.10.400, *et seq.*, to provide retirement and annuity programs to eligible employees of the University. Pursuant to this authority, the Board of Regents adopted the Washington State University Voluntary Investment Program (VIP).

All employees of the University are eligible to participate in the VIP through payroll deduction. The 1,084 employees who currently participate in the VIP designate amounts to be deducted from their pay and direct the amount deducted to be invested in investment vehicles they select from those available to program participants. Please see the attached list for the investments available. The amounts deducted from pay are tax deferred under Section 403(b) of the Internal Revenue Code. The Internal Revenue Code now allows for investments to be held in "Roth" accumulation accounts. Payroll deductions used to purchase investments for a Roth account are not tax deferred; however, unlike tax deferred accounts, no tax is paid on normal withdrawals from Roth accounts.

**Board of Regents**  
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**Resolution #091120-370**


WHEREAS, the Board of Regents has authority pursuant to RCW 28B.10.528 and RCW 28B.10.400, *et seq.*, to provide retirement and annuity programs to faculty and other eligible staff of the University, including the Washington State University Voluntary Investment Program; and

WHEREAS, the Board of Regents has determined that the Washington State University Voluntary Investment Program should be amended to add Roth 403(b) investment accumulation accounts;

NOW, THEREFORE, BE IT RESOLVED that the Washington State University Voluntary Investment Program, restated effective January 1, 2009 (the "Program"), is amended to add the terms and conditions of the First Amendment, as approved and adopted at the November 20, 2009, meeting of the Board of Regents; and

The President or his designee(s) is authorized to make the changes in the Voluntary Investment Program set forth in the First Amendment, not substantially at variance with the document presented to this meeting, to execute the First Amendment in the University's name, and to take such other actions as deemed necessary or appropriate to implement the terms and conditions of the First Amendment, including without limitation, preparation and execution of additional documentation.

Dated this 20<sup>th</sup> day of November, 2009.

  
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Chair of the Board of Regents

  
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Secretary to the Board of Regents