

WESTERN WASHINGTON UNIVERSITY RETIREMENT PLAN SUMMARY

Welcome to the Western Washington University Retirement Plan! As faculty member, librarian, or professional staff you are eligible to participate in this defined contribution retirement plan. The WWURP is a retirement plan in which you are responsible for investing both your employee contribution and the employer match. Educating yourself about your investment alternatives is important, as your future financial security will, to a great degree, depend upon your investment decisions. Participants share a similar goal—to accumulate enough assets to help ensure a comfortable life in retirement.

The WWURP, through its participating fund sponsors, offers a variety of investment choices. Your approach to investing, however, will be as individual as you are. This document, as well as the many brochures, websites, and software programs offered by the participating vendors, provides you with some basic tools and guidelines to help you make educated decisions about your financial future. We encourage you to take some time to review this summary and the different resources available to you.

A complete copy of the plan document is available online at <http://www.acadweb.wvu.edu/hr/>, or you may call Benefits Services at 360.650.7713 to request a copy.

Plan Sponsor

Benefits Services
Human Resource Department
Western Washington University
516 High Street, MS 5221
Bellingham, WA 98225
360.650.7713
www.benefits.wvu.edu

Fund Sponsors

Fidelity Investments – WWURP #58942

P.O. Box 770001
Cincinnati, OH 45277
1.800.343.0860
www.fidelity.com

Teachers Insurance and Annuity Association- College Retirement Equities Fund (TIAA-CREF) – WWURP #10219

P.O. Box 1268
Charlotte, NC 28201
1.800.842.2776
www.tiaa-cref.org

The Vanguard Group – WWURP #91424

P. O. Box 1101
Valley Forge, PA 19482
1.800.523.1188
www.vanguard.com

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The Western Washington University Human Resource Department and WWURP fund sponsors have prepared the information throughout this summary to explain the major provisions of the WWURP currently in effect and to answer some of the questions participants might have. Although care has been taken in the preparation of this summary, it is not the official text of the WWURP. In the event of any inconsistency between the information in this booklet and in the WWURP document itself or to the extent the WWURP contains more complete or detailed information or rules, the provisions of the WWURP will prevail. Benefits derived from the plan are dependent upon certain factors beyond the control or jurisdiction of Western Washington University. Liability for benefits obtained through participation in this plan rests solely with plan participants.

PLAN HIGHLIGHTS

Some of the features of the WWURP are summarized briefly below. Refer to the Summary Plan Description for more in-depth information. A complete copy of the Western Washington University Retirement Plan document is available online at <http://www.acadweb.wvu.edu/hr/>, or you may call Benefits Services at 360.650.7713 to request a copy.

Plan Administrator

The WWURP is administered by WWU through its Human Resource Department. As Administrator, WWU, through its Human Resource Department, has the discretionary authority to interpret and administer the WWURP. Any determination made by WWU shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious.

Type of Plan

The WWURP is a governmental plan as defined in Internal Revenue Code section 414(d). WWU intends that contributions under the WWURP will be excluded from the gross income of participants in accordance with section 403(b) of the Internal Revenue Code.

Plan Year

The Plan Year is the 12-month period beginning on July 1 and ending on June 30.

Eligibility

Faculty, librarians, professional staff, and other designated positions that are employed for 70 or more hours per month of the normal full-time workload for five or more months of the plan year are eligible to participate.

Participation

You may begin participation in the WWURP on the date of your appointment or on any pay period thereafter. You must, however, begin participation beginning with your third year of eligibility.

Contribution Rates

- Under age 355% of salary
- Age 35 and over7.5% of salary
- Age 50 and over 10.0% of salary

Contributions are made on a tax-deferred basis and are equally matched by the University.

Fund Sponsors

Fidelity Investments
WWURP Plan #58942
1.800.343.0860
www.fidelity.com

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WWURP Plan #91424
1.800.523.1188
www.vanguard.com

Additional information is provided in this summary. Call Benefits Services for a fund sponsor enrollment packet at 360.650.7713. You may also contact the fund sponsor for more information.

Investment of Contributions

You direct how your WWURP employee and employer contributions are invested. You may allocate WWURP contributions among any of the available fund sponsors in whole-number percentages that total 100 percent.

Changes and Transfers

You may reallocate your existing account balances and/or future allocations within your current fund sponsor at any time by calling one of its customer service representatives.

At any time you may transfer your existing account balances and/or reallocate future contributions among any of the available fund sponsor(s) by submitting the appropriate election form and contract application(s), if necessary, to Benefits Services, MS 5221.

Allocation changes to fund sponsor(s) will be effective the first pay period that falls at least 10 days after the properly completed forms are received by Benefits Services.

Transfers of existing account balances will be made as soon as reasonably possible after the appropriate transfer forms have been submitted to the receiving fund sponsor(s).

It is not necessary to transfer existing account balances from the present fund sponsor to begin a new contract with any of the other available fund sponsors.

Vesting

Employee and employer accumulations are immediately vested in the WWURP.

Loans

Loans are not available from your WWURP accumulations.

Retirement

You may retire from Western Washington University on the first day of any month after attaining age 62.

Starting An Income

You have several options and combinations of options to receive income from your retirement accumulations at retirement or upon separation from employment.

Income options include lifetime annuities, interest only, cash withdrawal, systematic cash withdrawal, and minimum distribution. Choosing which option(s) is best for you is a very important decision. Obtaining professional tax and financial advice is highly recommended.

SUMMARY PLAN DESCRIPTION

Introduction

The purpose of the WWURP is to provide retirement benefits to faculty members, librarians, professional staff, and certain other employees of Western Washington University (WWU). The WWURP is a governmental plan as defined in section 414(d) of the Internal Revenue Code, and is subject to Washington state laws. WWU intends that contributions under the WWURP will be excluded from the gross income of participants in accordance with section 403(b) of the Internal Revenue Code.

This Summary Plan Description explains the major provisions of the WWURP currently in effect and answers some of the questions participants might have. Although care has been taken in the preparation of this Summary Plan Description, it is not the official text of the WWURP. In the event of any inconsistency between the information in this Summary and in the WWURP itself, or to the extent the WWURP contains more complete or detailed information or rules, the provisions of the WWURP will prevail.

Nature of the WWURP

1. *What is the WWU Retirement Plan?*

The WWURP is a "defined contribution" plan under which both you and WWU make contributions. Your benefits under the WWURP will be provided by an insurance, variable annuity, or investment company that sponsors the investment funds available for investment of WWURP contributions (a "Fund Sponsor"). The amount of your benefits will be based on the amounts you and WWU have contributed to the WWURP and the net investment return on those amounts. In certain limited circumstances, you may qualify for a supplemental benefit payable by WWU in order to bring your total WWURP benefits up to a level determined under a formula.

WWURP Participation

2. *Who may participate in the WWURP?*

Any employee of WWU who is employed in an eligible position may participate in the WWURP. An eligible position is an academic, research, librarian, professional, or other position designated by the Board of Trustees of WWU that requires at least 70 hours per month of the normal full-time workload per month for five or more months of the plan year.

3. *When may I join the WWURP as a participant?*

You may begin participation in the WWURP on the date of your employment in an eligible position or on the first day of any pay period thereafter. Appropriate enrollment forms must be completed and returned to WWU Benefits Services in order to participate.

You must begin participation no later than the first day of the first pay period following the second anniversary of your date of employment in an eligible position.

Once you begin participation in the WWURP, you may not cease participation while you are employed in an eligible position.

4. Are there other ways by which I may become a participant in the WWURP?

- a. If you are a participant in any Washington State Retirement System and you are moved to (or your position is converted to) an eligible position, you may make an irrevocable election to participate in the WWURP or to remain in the other retirement system. You must make the election no later than thirty days following the date of your move or conversion. If no election is made, you will remain in the other retirement system.
- b. If you have participated in the WWURP for at least two years and you are moved to (or your position is converted to) a position that qualifies for participation in a Washington State Retirement System, you may make an irrevocable election to participate in that other retirement system or remain in the WWURP. You must make that election no later than thirty days following the date of your move or conversion. If you make no election, you will remain in the WWURP.
- c. If you:
 - are hired by WWU in a position other than an eligible position,
 - are eligible for participation in the Washington State Public Employees Retirement System, and
 - have, for at least two consecutive years immediately preceding your date of hire, participated in a retirement plan under which your employer made contributions to a WWURP Fund Sponsor.

You may irrevocably elect to participate in the WWURP. You must make that election within thirty days after you're hired. If no election is made, you will become a participant in the Washington State Public Employees Retirement System from the first day of your employment.

5. When will my participation in the WWURP cease?

You will cease to be a participant in the WWURP if:

- you retire or otherwise separate from all employment with WWU,
- you are transferred or reclassified to a position that is not an eligible position and you do not elect within thirty days to remain a participant in the WWURP,
- you are transferred or reclassified to a position that is not an eligible position and does not qualify for participation in a Washington State Retirement System, or
- the WWURP is terminated.

6. What if I leave WWU before retirement and am rehired?

If you:

- leave the employ of WWU before you retire,
- are a WWURP participant on the date you leave, and
- are reemployed in a WWURP eligible position, you will immediately become a WWURP participant again upon your reemployment.

7. When may I retire?

You may retire on the first day of any month after attaining age 62.

You may also retire because of a health condition under certain circumstances. Retirement because of a health condition may be approved by WWU's President upon your request. The basis for approval is whether your continued service is likely to seriously impair or endanger your health, or whether you are permanently unable to carry on your normal duties because of your health. This determination shall be made by your physician, but is subject to verification by a physician selected and paid for by WWU.

8. *What happens if I retire from my job and then I am reemployed by the WWU?*

You may be reemployed up to 40 percent of a full time appointment. A reemployed retiree is not a participant under the WWURP. Also, reemployment after retirement is not counted as service under the WWURP and does not result in any eligibility for increased benefits under the WWURP.

WWURP Contributions

9. *What am I required to contribute to the WWURP?*

You must make the following contributions:

Under age 355% of salary

Age 35 and over7.5% of salary

Age 50 and over10.0% of salary

For this purpose, your salary is the amount WWU pays you as basic monthly salary, contracted salary for summer session and salaried summer research grants, chair stipends, together with any paid leave. Salary is determined before taking into account any salary reduction under the WWURP, the WWU's Voluntary Investment Program, or any other plan.

Your annual salary taken into account under the WWURP may not exceed \$245,000. This limit is adjusted from time to time by the Commissioner of Internal Revenue.

10. *Will WWU contribute to the WWURP?*

Yes, WWU will make contributions to the WWURP equal to your own contributions.

11. *May I make rollover contributions to the WWURP from another retirement plan?*

No, rollovers or transfers from other plans will not be accepted by the WWURP.

12. *Are there legal limits on contributions to the WWURP?*

Yes. There are legal limits on the amount of contributions that may be made to the WWURP by you and WWU. For example, these contributions, together with any contributions for your benefit under another tax-exempt employer's 403(b) retirement program, or under any Keogh or other 401(a) or 401(k) plan you control, cannot exceed 25% of your pay for any calendar year. Other limits may also apply. WWU reserves the right to reduce contributions made by you and WWU in order to comply with any applicable limits.

13. *What is the tax treatment of contributions to the WWURP?*

WWURP contributions will be made on a tax-deferred basis as authorized under section 403(b) of the Internal Revenue Code to the extent the contributions are within the legal limits.

14. *What happens if I take a leave of absence?*

During an authorized leave of absence with pay, contributions will continue to be made to the WWURP by you and WWU. These contributions will be based on the actual compensation WWU pays you during your leave of absence.

To the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994, if you are absent from employment because of service in the United States uniformed services, you will be entitled to make up contributions that you would have made had you remained in your job during your period of service and to benefit from matching WWU contributions.

If you return to employment immediately following an authorized leave of absence, other than an absence due to service in the United States uniformed services, and you remain employed by WWU for at least two years after your return, you may contribute an amount equal to the total amount that would have been contributed had you not been on leave (including any amount WWU would have contributed) less any other contributions made by you and WWU regarding the same leave. These contributions will be based on the average of your compensation at the time your leave of absence was authorized and at the time you resumed employment. WWU will not match these contributions. If you make these contributions, your leave of absence will be included in your years of service for purposes of calculating the Supplemental Benefit described in Question 25. No more than two years of service will be credited for this purpose for your entire working career at WWU.

Investment of Contributions

15. *How are contributions to the WWURP invested?*

Contributions to the WWURP are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. WWU determines which fund sponsor or sponsors, and which of their investment options, will be available for the purpose of investing contributions under the WWURP.

16. *Who directs my investments?*

You are responsible for directing how your employee and employer contributions are invested. After your death, if amounts remain credited to your account, your beneficiary is then responsible. If a portion of your account is transferred to an alternate payee under a divorce or separation order, your alternate payee will be responsible.

You may allocate WWURP employee and employer contributions among the investment options made available by WWU in any whole-number percentages that total 100 percent.

17. *Who will send me information about my accumulations under the WWURP?*

At least once a year the fund sponsor or sponsors will send you a report summarizing the status of your account(s). You may obtain similar reports upon termination of employment or upon your request from the fund sponsor.

Distribution of Benefits

18. *When will I acquire a vested interest in my accumulations under the WWURP?*

You will at all times have a 100 percent vested interest in your accumulations under the WWURP. None of your accumulations, including WWU contributions, will be forfeited upon your separation from WWU employment. Instead, they will be used to pay benefits when you become eligible for retirement.

19. *When will I receive benefits under the WWURP?*

You are entitled to receive benefits under the WWURP upon your retirement or other separation from WWU employment regardless of age or years of service. You will not be entitled to make withdrawals from the WWURP while you are employed by WWU.

You need not receive your benefits at the time you separate from WWU employment, but generally, you must start them by April 1 after the year you reach age 70 ½.

To begin receiving benefits from your accumulations invested with a fund sponsor, you must contact the fund sponsor(s).

20. *How will my benefits be paid?*

After you retire or otherwise separate from WWU employment, you will have several options and combinations of options to receive income from your accumulations. Income options include lifetime annuities, interest only, cash withdrawal, systematic cash withdrawal, and minimum distribution option. Choosing which option(s) is best for you is a very important decision and in some cases irrevocable. Obtaining professional tax and financial advice is highly recommended.

21. *What happens if I die before receiving benefits?*

Upon your death, the entire value of your accumulations with a fund sponsor will be paid to the beneficiary you designated to receive benefits in the event of your death. However, to the extent your accounts have been applied to purchase an annuity, benefits will be paid as provided in your annuity contracts. If you are married at the time of your death, your surviving spouse will automatically be your beneficiary unless your spouse consents to another beneficiary. Your spouse's consent must be in writing, on a form provided by Benefits Services, and must be witnessed by a notary public.

22. *Are there circumstances in which benefit payments must be made prior to my separation from WWU employment?*

Yes. Certain court orders, most frequently associated with divorce or marital separation, may require the WWURP to make payments from your account(s) directly to your spouse, former spouse, or other dependents, regardless of whether you have separated from WWU employment or are otherwise entitled to benefits under the WWURP.

Supplemental Benefit

A complete copy of the Western Washington University Supplemental Retirement Plan document is available online at <http://www.acadweb.wvu.edu/hr/>, or you may call Benefits Services at 360.650.7713 to request a copy.

23. What is the Supplemental Benefit?

The Supplemental Benefit is a lifetime benefit, calculated at the time of your retirement, equal to the excess, if any, of

- one-twelfth of two percent of your average annual salary multiplied by the number of your years of service (such product not to exceed one twelfth of 50 percent of your average annual salary), over
- the amount of the assumed annuity benefit offset you would receive in the first month of retirement.

Special definitions, assumptions and conditions apply in making this calculation. More information will be provided to you if you are eligible for the Supplemental Benefit.

The Supplemental Benefit is reduced by 0.5 percent times the number of full calendar months that your benefit payments begin before the last day of the calendar month in which you turn 65, unless you were granted retirement because of a health condition.

Payments of the Supplemental Benefit are made as lifetime income and may only be made over (a) your life, or (b) your life and the life of your designated beneficiary, in any form of lifetime annuity made available by WWU. If option (b) is chosen, the monthly benefit will be reduced because it will be paid over a longer period.

If you are married, your election of a form of benefit requires the written consent of your spouse on a form provided by Benefits Services and witnessed by a notary public. At WWU's election, the Supplemental Benefit may be paid less often than monthly if the monthly installments for you or your designated beneficiary would be less than \$10.

24. When will I be eligible for a Supplemental Benefit?

You will be eligible for a Supplemental Benefit at retirement if:

- you have reached age 62, or you retire because of a health condition as described in Question 7;
- you have ten or more years of service, as defined in the WWURP; and
- the amount of your Supplemental Benefit is a positive amount.

25. What happens if I die while I am eligible for the Supplemental Benefit?

If you die after age 62 while eligible for a Supplemental Benefit, your designated beneficiary will be entitled to a benefit. That benefit will equal the monthly benefit that your beneficiary would have received if you had begun to receive a Supplemental Benefit on the first day of the month in which

your death occurred and had elected a two-thirds benefit to survivor option with a 10-year guarantee period with the beneficiary as the survivor.

If you are married at the time of your death, your surviving spouse will automatically be your beneficiary unless your spouse consents to another beneficiary. Your spouse's consent must be in writing, on a form provided by Benefits Services, and must be witnessed by a notary public.

Additional Information

26. What is the tax treatment of benefits under the WWURP?

The rules concerning federal income taxation of benefits from the WWURP are complicated, and you are strongly encouraged to seek the advice of a competent tax advisor before starting your benefits.

Some payments from the WWURP will be eligible for a tax-free rollover to an IRA or other eligible retirement plan. You may instruct the fund sponsor to transfer your eligible distribution directly to an IRA or other eligible retirement plan that accepts rollovers, or receive a check and roll over the distribution yourself within 60 days of receipt. Under current law, if you do not use the "direct rollover" option, an automatic 20 percent federal income tax withholding will apply to your distribution.

Certain "early distributions" may also be subject to an additional 10 percent income tax penalty. In general, any payment from your account(s) will be considered an early distribution subject to the 10 percent penalty unless it is:

- rolled over directly or within 60 days to an IRA or another eligible retirement plan;
- made to you after the age of 59 1/2;
- made to you if you have separated from service in the year you turn age 55 (or later.)
- made to your beneficiary after your death;
- made to you on account of your being disabled (that is, unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration); or
- made as part of a series of substantially equal periodic payments made at least annually, or your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated beneficiary.

27. May I assign or pledge my interest in the WWURP?

No. However, your interest in the WWURP may be subject to claims under a "qualified domestic relations order" issued by a court, granting to your spouse, former spouse, children, or other dependents a right to receive all or part of your account(s) as support, alimony, or property settlement.

28. May I take out loans under the WWURP?

No. You may not borrow from your accumulations under the WWURP.

29. *May the WWURP change or be terminated in the future?*

The WWURP may be amended or terminated, in whole or in part, at any time by the Board of Trustees of WWU. However, the Board of Trustees shall not make any amendment to the WWURP that recaptures for WWU any contributions previously made under the WWURP except contributions that were made based on a mistake of fact, or contributions that were made for an employee who failed to complete required enrollment forms.

30. *How may I obtain other information about the WWURP and my investments?*

You may obtain information concerning eligibility, participation, contributions, or other aspects of the WWURP's operation by contacting Benefits Services. You should direct requests for information concerning a fund sponsor, its available investment products, their terms and conditions, and claims thereunder in writing to the fund sponsor.

31. *Who has the authority to make decisions in connection with the WWURP?*

WWU is the administrator of the WWURP and has designated the WWU's Human Resource Department to be responsible for the day-to-day administration of the WWURP.

32. *Are there limitations on my rights under the WWURP?*

The WWURP does not give any person the right to remain as an employee of the WWU. It creates only those rights specifically provided in the WWURP.

The Internal Revenue Code limits the amount of contributions that may be made to retirement plans for a person in a given year. See Question 13.

SUMMARY OF APPROVED FUND SPONSORS

Fidelity Investments

WWURP #58942

P.O. Box 770001
Cincinnati, OH 45277
1.800.343.0860
www.fidelity.com

Since 1946 Fidelity Investments has been providing investors with professionally managed mutual funds and investment services. Fidelity is one of the nation's largest privately-held investment management organizations, managing over \$674 billion for more than 15 million investors. Fidelity Investments is committed to providing a range of investment options, responsive customer service, and the educational resources to help you plan successfully for your retirement. Their investment philosophy is to seek out the best stock, bond and money market investments around the world through careful analysis and on-site visits to companies.

TIAA-CREF

WWURP #10219

P.O. Box 1268
Charlotte, NC 28201
1.800.842.2776
www.tiaa-cref.org

TIAA-CREF has been helping WWURP participants at Western Washington University attain their long term financial goals for almost 60 years. Established in 1918, TIAA-CREF is a non-profit organization dedicated to providing pension services exclusively to members of the educational and research community. As the premier retirement company, TIAA-CREF currently serves 2.1 million participants at 8,700 institutions and manages over \$250 billion in assets.

The TIAA-CREF system has been carefully designed to meet the specific objectives of retirement planning. Their unique combination of guaranteed and variable annuities enables you to diversify across different markets and investments for stability, growth, and balance. A mix of investments helps protect you from market volatility and gives you the opportunity to benefit from the potential strengths of several types of investments.

The Vanguard Group

WWURP #91424

P. O. Box 1101
Valley Forge, PA 19482
1.800.523.1188
www.vanguard.com

The Vanguard Group, headquartered in Valley Forge, PA is one of the nation's oldest and largest mutual fund families. Tracing its roots back to 1929, Vanguard currently manages more than \$450 billion in assets and serves over twelve million shareholders worldwide, many of whom—like you—are investing for their future through employer-sponsored savings plans. Vanguard is the only mutual fund company

owned entirely by its fund shareholders. We treat you like an owner by keeping investment costs down and delivering the services and investments you need to take charge of your future. Vanguard offers a wide range of mutual funds and retirement planning services for all types of investors. We are leading the way with the choice, flexibility, and performance that we offer our shareholders to plan for a secure financial future. To assist you in accomplishing your objectives, Vanguard is providing you with helpful information, tools, and guidance throughout your working career and into retirement.

DESIGNING YOUR PORTFOLIO

The WWURP is a defined contribution plan in which you are responsible for investing both your employee and the employer contribution. Your retirement income will be dependent on the investment choices you make.

Deciding where to invest your retirement dollars can be a challenge. Understanding some basics about investing will help. Each vendor provides you with several brochures and tools to assist you in understanding investments, risk tolerance and asset allocation. You are encouraged to read the brochures, visit websites, and use software programs to help you with your decisions.

The decisions you make on the allocation of your contributions and accumulations are not irrevocable. You can change your allocation of contributions (employee and employer contributions made each pay period) at any time. You can also transfer accumulations from one fund to another at any time. Some funds may have restrictions, therefore, it is important to invest in funds that meet your retirement investment objectives.

To transfer accumulations from one fund to another, please call the vendor(s) with whom the funds are invested.

To change the allocation of contributions within one vendor, call the vendor directly.

To change the allocation of the employee and employer contributions (payroll deduction) to a different vendor, please contact Benefits Services at 360.650.7713. Some things to consider when making investment decisions:

- *Investment Goals and Strategy*
Before making investment decisions, it's important to know what you want to accomplish with your pension accumulations. Setting goals for when you want to retire and how much retirement income you want or need will help in determining your investment decisions.
- *Risk Tolerance*
Your choice of investments depends on how much risk you are willing to take. Are you a conservative, moderate or aggressive risk-taker? Each URP vendor provides you with questionnaires to assist you in answering this question. If your risk tolerance changes, you can always change your allocation of contributions and transfer accumulations between funds if you so desire.
- *Update and Review Annually*
Remember, you're in charge of creating your own investment program. Pick a day every year to review your goals and objectives. There will be changes—as you age, as you gain more experience and knowledge, or as your financial situation changes—that could make a difference in your risk tolerance, investment mix, and fund choices.

HOW TO...

Enroll or Make Changes

Obtain the following documents from Benefits Services:

- **WWURP Enrollment/Change Form**
This form is used to establish your plan participation or to update the amount allocated to each fund sponsor. You may change this allocation at any time.
- **Fund Sponsor Enrollment Application(s)**
This form is required to establish your Fund Sponsor account(s) and to designate your choice of investment funds.

Mail completed forms to:

Campus Mail
Benefits Services
MS 5221

Regular Mail
Benefits Services
Western Washington University
516 High Street, MS 5221
Bellingham, WA 98225

Transfer Existing Account Balances

Contact the fund sponsors directly to request transfer forms.

Reallocate Funds Within the Same Fund Sponsor

Contact the fund sponsor directly to reallocate dollars within the same fund sponsor.

Apply for Retirement Income

Planning for retirement can be a challenging process. Deciding when to retire, how much income you will need, and what sources your income will come from can seem overwhelming. Each person's circumstances are unique, therefore, it's important to allow enough planning time so that you do not make an irrevocable decision you might regret later. The WWURP is a very flexible plan allowing you to tailor your investments and income options to your individual needs. No one income option is perfect for everyone. The earlier you start planning the more confident you will be that your decisions are informed ones.

You have many income options to choose from. They range from monthly lifetime income (annuity) to periodic withdrawals in any frequency and amount you deem appropriate. You can apply for an income option or you can apply for several different income options. You can also apply for an income option at different times throughout your retirement years. If you don't need to receive an income from all your accumulations, you can do nothing and continue to invest your accumulations. However, the Internal Revenue Service has specific requirements to receive minimum distribution at age 70 1/2. Lump sum, periodic, and systematic cash withdrawals are allowed, however, using such methods to receive an income requires careful financial management.

Benefits Services personnel are not licensed to offer advice on investments or income options. It is strongly recommended that you seek assistance from the consultants of the retirement plan fund sponsors or your personal financial and tax advisors.

Checklist to Assist with the Retirement Process

- Determine which income option(s) will work best for you.
- Request income illustrations from the investment vendors with whom you have retirement annuity accumulations.
- Meet with the Social Security Administration to review your benefits and make application for benefits several months in advance.
- Notify your supervisor of your intent to retire.
- Contact the WWURP vendor(s) from which you will receive income to request income application form(s).
- Complete the retirement income application form(s) and return to the vendor(s) 60 days before your retirement date.
- Contact Benefits Services at 650-7713 to request a retiree medical/dental enrollment packet. The enrollment form must be completed and sent to the Health Care Authority with a check for the first month's premium.
- Apply for Medicare at age 65.
- If you have any questions, please call Benefits Services at 360-650-6106.

GLOSSARY OF TERMS

Administrative Expenses

The cost of operating the plan including, but not limited to, marketing expenses. This expense is usually subtracted before the calculation of the fund performance.

Accumulation

The value of all of an individual's units of participation in the annuities or other funds until income payments begin.

Annuity

A contract by which an insurance company agrees to provide a stream of regular payments to someone for their life (or joint lives). See Fixed Annuity and Variable Annuity.

Asset Allocation

In finance, choosing or rejecting certain investments based on an underlying strategy, such as aggressive growth, income, tax relief, etc.

Balanced Fund

A fund that invests in both equities (e.g., stocks and preferred stocks) and debt instruments (e.g., bonds) to reduce risk by investing in different markets.

Balanced Portfolio

A set of investments balanced between riskier and more conservative holdings (e.g., between stocks and bonds, or between new bond issues and blue chips).

Blue Chip Stock

In the stock market, a company that has a strong history of profits and dividends.

Bond

A formal certificate of debt, usually issued by corporations or units of government.

Capital

Assets that are invested in a venture; or the net assets of a legal entity, such as a corporation or partnership, plus all gains and profits.

Common Stock

Equity, or ownership, in a corporation. Stockholders participate in a company's profits or losses through dividends and changes in the stock's market value.

Conservative Growth Portfolio

A portfolio aimed at long-term capital appreciation with low risk; it will likely contain a high percentage of blue chip companies with low turnover and infrequent trading.

Contribution

The transfer of funds by either an employer or employee to an employee retirement plan.

Diversification

Spreading assets across a mix of companies, investments, industries, geographic areas, maturities, and/or investment categories.

Dividend

An amount distributed to stockholders from a company's net profits.

Equity

A synonym for ownership or a share of ownership. In finance, equity is synonymous with stock and real estate.

Fixed Annuity

A traditional insurance investment vehicle, often used for retirement accounts, that guarantees principal and a specified interest rate and may also offer dividends.

Fixed-Period Payout

An income arrangement that pays income from a source for a specified number of years.

Global Fund

A fund with holdings in worldwide investments, mainly common stocks. Global bond funds, with holdings in international bonds, are also available.

Gross Income

An individual's or company's net receipts before taxes, benefit costs, and other expenses are deducted.

Growth Portfolio

A portfolio that invests in higher-risk investments with a strong potential for capital appreciation.

Income Options

Choices for receiving retirement income from a retirement plan or annuity.

Income Portfolio

A portfolio that concentrates on securities that produce steady, regular income, usually as dividends.

Joint Life Annuity

Income paid as long as either of the two individuals holding the annuity is alive.

Life Expectancy

The expected remaining average number of years of life for a group of persons of a given age according to a mortality table.

Minimum Distribution

The amount required by federal law to be paid from most tax-favored retirement plans, generally beginning by April 1 of the calendar year following the year in which the participant turns 70 ½.

Money Market Fund

A fund or annuity that invests in short-term debt instruments. Interest rates change daily but the net asset value of one share generally stays at one dollar.

Mutual Fund

A fund that pools contributions from individuals and other sources, then uses them to buy stocks, bonds, or other securities chosen to meet the fund's specific criteria and goals.

Portfolio

The set of stocks, bonds, and other securities held by an investor or mutual fund.

Preferred Stock

A type of stock that gets preference over common stock in that it stands first in line for the payment of dividends and liquidation in the case of bankruptcy.

Prospectus

A document outlining the terms of an investment offering.

Risk

The possibility of losing or not gaining value. In investments, there are many kinds of risk including inflation, economic, financial, and market risks.

Rollover

An employee's transfer of retirement funds from one retirement plan to another plan of the same type or to an IRA without incurring a tax liability. The transfer must be made within 60 days of receiving a cash distribution. The law requires 20 percent federal income tax withholding on money eligible for rollover if it is not moved directly to the second plan or investment company.

Salary Reduction

Contributions withheld from an individual's salary under the terms of an agreement between an employer and employee. These funds are not subject to current federal income taxes.

Securities

Investment instruments issued by corporations, government bodies, or other entities that offer investors shares of ownership or a creditor relationship.

Single Life Annuity

An annuity that provides income benefits for one person only.

Tax Deferred Annuity

An annuity available to certain groups, such as employees of nonprofit and educational organizations. A part of the employees' income is excluded from current taxation and invested in stocks, bonds, and/or funds. Contributions and their earnings are tax-deferred until they are withdrawn from the plan.

Treasury Bills

Government-backed securities issued on a discount basis in denominations of 10 thousand dollars. Maturities range from three months to one year.

Treasury Bonds

Government-backed securities available in registered or bearer form with interest paid every six months. They mature in no less than seven years, but many are callable prior to maturity.

United States Savings Bonds

Backed by the full faith and credit of the United States government, savings bonds are registered, non-callable and non-transferable securities. They cannot be used as loan collateral.

Variable Annuity

An annuity, the value of which fluctuates based on the market performance of an underlying securities portfolio. Unlike Fixed Annuities, there is no guarantee of principal or rate of return.

Vesting

An employee's right, usually earned over time, to receive some retirement benefits regardless of whether or not the individual remains with the employer.