

POLICY NUMBER: 2.10.010**EFFECTIVE DATE:** 12/12/24**TITLE:** Commingled Trust Fund**SUPERSEDES:** 6/17/21**BOARD ADOPTION:** 12/12/24

PURPOSE

RCW 43.33A.170 authorizes the commingling of funds at the discretion of the Washington State Investment Board (WSIB) for any combination of funds under its jurisdiction. Pursuant to Washington law, the WSIB established the Commingled Trust Fund (CTF) to combine qualified and eligible defined benefit and defined contribution retirement plans for investment and administrative purposes and to commingle the CTF with the deferred compensation funds as part of the target date fund glide path. This policy summarizes (a) the WSIB's practices related to the commingling of qualified and eligible government retirement plans and (b) the CTF's compliance with key Internal Revenue Code (IRC) requirements related to group trusts allowed by Revenue Procedure 2011-1 and IRC § 401(a)(24) as amended.

POLICY

The WSIB invests defined benefit, defined contribution, and deferred compensation assets on behalf of governmental retirement plans for public employees, teachers, school employees, law enforcement officers, firefighters, and judges by legislative authority. The following retirement plans are intended to be qualified governmental pension plans under IRC §§ 401(a) and 414(d) or eligible governmental plans under IRC § 457(b) ("Participating Plan(s)") and may be commingled as allowed by law:

- Public Employees' Retirement System Plans 1, 2 and 3
- Teachers' Retirement System Plans 1, 2 and 3
- School Employees' Retirement System Plans 2 and 3
- Law Enforcement Officers' and Firefighters' Retirement System Plans 1 and 2
- Washington State Patrol Retirement System Plans 1 and 2
- Public Safety Employees' Retirement System Plan 2
- Judicial Retirement Account*
- Deferred Compensation Program*
- Higher Education Supplemental Retirement Plans

Participation in the CTF is restricted to Participating Plans and other qualified and eligible governmental plans under the IRC that the WSIB may add from time to time. The WSIB has exclusive authority and discretion to manage, invest, and control assets of commingled funds, to declare unit values, and to commingle qualified and/or eligible retirement plans and portfolios.

All assets shall be used for the exclusive benefit of the Participating Plans and/or plan beneficiaries, as applicable. Except for expenses allowed by law, no part of the corpus or income shall be used for or diverted to any other purpose.

Each Participating Plan or other participant can purchase or sell units of ownership consistent with WSIB operational procedures. The value of an interest of a Participating Plan or target date fund is the fair value of the units held for that plan or account, determined in accordance

* These plans can only participate in the CTF through the Target Date Funds.

with WSIB operational policies and procedures. Accounting records by the appropriate agency shall reflect each Participating Plan's or target date fund's ownership interest in the CTF.

No Participating Plan or beneficiary owns any particular asset or any part of a particular asset of the CTF and no Participating Plan may assign any part of its equity or interest. Any assignment by a Participating Plan is null and void in accordance with state law.

POLICY REVIEW

The Board shall review this policy at least once every three (3) years to ensure that it remains relevant and appropriate.

Policy Adopted 6/17/21
Revised 12/12/24