

TRS PLAN 3 REPORT April 2000

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Customer Relations Team Shares Most Frequently Asked Questions

Whether you are a new TRS Plan 3 member or have been in the plan for some years, it is important to understand the "nuts and bolts" of how your retirement plan works.

To help improve your understanding of Plan 3, we've provided answers to the 10 questions most frequently received by ICMA Retirement Corporation's Plan 3 Customer Relations Team. ICMA Retirement Corporation (RC) administers the defined contribution component of Plan 3. We hope this information will prove beneficial to the management of your Plan 3 investments.

Q1. Can I change my contribution level after I've enrolled in the program?

A1. Under IRS Code, once you select a contribution rate, you cannot change that rate unless you leave employment and begin work with a different Washington State TRS employer. If you leave employment and begin work for a new TRS-covered employer, you complete a new Member Information form. Contribution rate selection is included on the Member Information form.

Q2. I recently moved and want to change my mailing address and add beneficiaries. Who do I notify?

A2. It is important to keep your address current so you can receive your quarterly statements and other account information in a timely manner.

- **If you are currently employed in a TRS-covered position**, personal changes such as a new mailing address or name change should be communicated to your employer. You can change your beneficiary by completing a beneficiary designation form and mailing it to DRS.
- **If you've left your TRS-covered position**, you can update your address or change your beneficiary by obtaining the

appropriate form and mailing it to DRS.

You can call DRS and report your name and/or address change by calling DRS at 1-360-664-7000 or 1-800-547-6657. Both the Name and Address Change form and the Beneficiary Designation form can be downloaded from the Forms Archive at the DRS Web Site: www.wa.gov/DRS/forms/fmz-mbr.htm

Q3. Are loans available from the plan?

A3. No. Under IRS rules, you cannot obtain funds from your TRS Plan 3 account unless you terminate TRS-covered employment.

Q4. Why doesn't my Quarterly Statement show all contributions for the period?

A4. By statute employers are required to submit your contributions by the 15th day of the month following the month in which you received payment. For instance, contributions based on salary paid in March, which is the last month of the 1st quarter, must be submitted to DRS by the 15th of April. Any March contributions that reach DRS after the end of the quarter are included on the member's statement for the following quarter. The day contributions are actually transmitted to DRS is determined by your employer within the guidelines provided in the statute.

TRS PLAN 3 WSIB TOTAL ALLOCATION PORTFOLIO (TAP)¹

AS OF 12/31/1999

AVERAGE ANNUAL RETURNS

	4th Qtr 1999	1-Year	3-Year	5-Year
TOTAL ALLOCATION PORTFOLIO	11.66%	18.47%	16.58%	17.80%

¹ The Washington State Investment Board (WSIB) periodically reviews and adjusts the TAP Fund's asset allocation. Over the last five years, the TAP Fund has shifted to a more aggressive asset mix. These returns reflect the actual asset mixes during the time periods shown.

TRS PLAN 3 SELF-DIRECTED FUNDS

AS OF 03/31/2000

	1st Qtr 2000	1-Year	3-Year	5-Year
TRS PLAN 3 SMALL STOCK INDEX	7.0%	36.3%	17.3%	16.8%
TRS PLAN 3 U.S. STOCK MARKET INDEX	4.1%	23.1%	26.6%	N/A
TRS PLAN 3 LARGE STOCK INDEX	2.2%	17.6%	27.1%	26.4%
TRS PLAN 3 INTERNATIONAL STOCK INDEX	-0.5%	25.0%	16.1%	12.2%
TRS PLAN 3 MONEY MARKET	1.4%	5.3%	5.4%	5.4%
TRS PLAN 3 BOND MARKET	1.8%	1.4%	6.2%	6.8%

The TRS Plan 3 Self-Directed Funds' inception dates were in May 1997. Investment returns for periods prior to that date were constructed using the underlying State Street Global Advisors Funds' gross return and deducting current fees and expenses associated with each fund as if the fund had been in existence for the respective three and five year periods. The U.S. Stock Market Index Fund commenced September 1996 and has no investment performance history prior to that date.

All returns are net of fees. Self-Directed funds are valued daily; your account balance and rate of return will vary accordingly. Past performance is no guarantee of future results. For more information about the funds please see the *TRS Plan 3 Investment Guide*.

Returns on the TAP Fund cover the period ending 12/31/1999. Returns for the Self-Directed Funds cover the period ending 03/31/2000.

Q5. Please explain when contributions to the WSIB/TAP fund are invested.

- A5.** Here's how your contributions reach the WSIB:
1. Your contributions are deducted from your paycheck.
 2. Your employer sends contributions and service information to DRS on a monthly basis, no later than the 15th of the month following the month in which they are deducted from your salary.
 3. DRS deposits the money with the Office of the State Treasurer on the same business day they are received.
 4. All contributions received during the month are invested by the WSIB in their Short-Term Investment Fund (STIF) and begin to earn the fund's yield on that day. The assets remain invested in the WSIB STIF while awaiting valuation of the WSIB Total Allocation Portfolio (TAP) Fund.
 5. TAP is valued on the last business day of the month.
 6. On the first business day of the month all funds that were placed in the STIF the previous month are invested in the WSIB TAP.
 7. Once in TAP your assets are valued monthly.

Q6. Can I transfer money from the WSIB Investment Program to Self-Directed Investment Program?

- A6.** Yes. There are two methods you can use to initiate the transfer of funds currently invested in the WSIB Investment Program to the Self-Directed Investment Program, or from Self-Directed to WSIB.
- Complete the TRS Plan 3 Program to Program Transfer Form (available from your employer or ICMA-RC) and mail the form to ICMA-RC, or
 - Call 1-888-711-8773 and work directly with a ICMA-RC Customer Services Representative. Due to the complexity of program transfers, you cannot initiate an automated transfer over VantageLink or VantageLine.

You may move money from one investment program to the other as often as you wish.

(However, if you have a transfer from WSIB to Self-Directed pending then you make a second request in the same month in which the first transfer was requested, the first transfer will be canceled and the second transfer will apply.)

To change the investment program where your monthly contributions are invested, you must complete a TRS Plan 3 Change of Investment Program form and submit it to your employer. This form can be obtained from your employer, DRS, and ICMA-RC, or downloaded from the Forms Archive at the DRS Website. (See the answer to Question 2.)

Q7. I want to transfer assets from the WSIB Investment Program to the Self-Directed Investment Program. When will the transfer be completed?

- A7.** Because the WSIB posts its monthly valuation of the Total Allocation Portfolio (TAP) fund and calculates earnings for its Short Term Investment Fund (STIF) on the last business day of the month, transfers of funds out of TAP and STIF are released on the last business day of each month. Money is transferred to the Self-Directed Investment Program (Pending Transfer Account (PTA)) on the first business day of the month. Shares are purchased for a member's specific Self-Directed funds on the second business day of the month. Assets transferred to the Self-Directed Investment Program are invested according to the member's most recent contribution investment allocation on file. A confirmation letter is mailed to the member when the transaction to the Self-Directed Investment Program is complete and the transfer is noted as a "Program Transfer" on your next quarterly statement.

Q8. I will soon be leaving employment with my school district. When can I expect my WSIB money?

- A8.** Because WSIB values TAP and processes fund transfers only once per month, withdrawals from the TAP fund routinely take up to 90 days depending on:
1. The day of the month you leave employment,
 2. When DRS receives your final contributions, and

3. When DRS receives notice of termination from your employer.

When you terminate employment, submit a TRS Plan 3 Request for Payment of Defined Contribution Funds form to DRS. This form is available from your employer, the Forms Archive in the DRS Website at www.wa.gov/drs/ and by calling DRS at 1-800-547-6657. Upon completion, mail the form to DRS at PO Box 48380, Olympia, WA 98504-8380.

Upon receipt of the termination notice from your employer, DRS will notify ICMA-RC. The WSIB calculates the monthly valuation of the TAP on the last day of the month. When processing is complete, ICMA-RC calculates the final value of your account and sends the information to DRS. DRS processes your withdrawal and prints a check. Withdrawal payments are made during the first week of the month. If you choose to have your money rolled into a qualified retirement plan, DRS will send the money directly to that plan.

Q9. If I leave TRS-covered employment, can I leave money in the TRS Plan 3?

- A9.** Yes. If you leave TRS-covered employment, you have the option of leaving your defined contribution money in the TRS Plan 3 or withdrawing the money. Funds left in TRS Plan 3 will continue to earn at market rate and you will continue to receive quarterly statements of account. As long as you have money in your Plan 3 account, you can request transfers between Self-Directed funds or between the two investment programs. You can initiate Program to Program transfers, or transfer funds between Self-Directed investment options by calling ICMA-RC at 1-888-711-8773. Remember, if you leave TRS employment and change your place of residence, you need to inform DRS of your new address. (See the answer to Question 2.)

Q10. Can I take a lump sum or roll my money over to an IRA or other qualified plan when I leave TRS Plan 3?

- A10.** Yes. If you withdraw money from the TRS Plan 3, you may take a lump-sum payment (subject to IRS 20% withholding and 10% early withdrawal penalty before age 59 1/2) or rollover your account balance to an IRA or other qualified plan.