

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 050 – DEFERRED COMPENSATION**

459-050-0120

Self-Directed Brokerage Option

(1) For purposes of this rule:

(a) “Core Investment Option” means an investment alternative made available under ORS 243.421, but does not include the Self-Directed Brokerage Option.

(b) “Self-Directed Brokerage Option” means an investment alternative made available under ORS 243.421 that permits a participant to establish a brokerage account and participate in investment products other than core investment options.

(c) “Trade” has the same meaning as in OAR 459-050-0037.

(2) A participant may initiate participation in the Self-Directed Brokerage Option only by a trade from core investment options.

(a) The participant’s combined Deferred Compensation and Designated Roth Accounts balance must be at least \$5,000 on the date of the trade.

(b) The amount of the trade may not exceed 90 percent of the participant’s combined Deferred Compensation and Designated Roth Accounts balance on the date of the trade.

(3) A participant in the Self-Directed Brokerage Option may not:

(a) Contribute to the Self-Directed Brokerage Option by any means other than a trade from a core investment option.

(b) Make a trade from a core investment option to the Self-Directed Brokerage Option if:

(A) The participant’s balance in the Self-Directed Brokerage Option exceeds the balance in the participant’s core investment options on the date of the trade; or

(B) The trade would cause the participant’s balance in the Self-Directed Brokerage Option to exceed the participant’s balance in the core investment options on the date of the trade.

(4) The Self-Directed Brokerage Option may not be included in any automatic account rebalancing function offered by the Program.

(5) Notwithstanding OAR 459-050-0080, funds in the Self-Directed Brokerage Option are not available for distribution.

(a) Funds in the Self-Directed Brokerage Option must be traded to a core investment option to be available for distribution under OAR 459-050-0080.

(b) A participant, beneficiary, or alternate payee subject to Required Minimum Distributions, as described in OAR 459-050-0300, must maintain a balance in the core investment options that will accommodate the timely distribution of the required amount.

(c) A participant, beneficiary, or alternate payee who fails to comply with subsection (b) of this section is solely responsible for any tax, penalty, or cost imposed by reason of a delayed or partial required minimum distribution.

(6) The Deferred Compensation Manager, if necessary to comply with restrictions imposed by a participating mutual fund, a contracted broker, or the Securities and Exchange Commission, may establish additional temporary restrictions for the Self-Directed Brokerage Option.

(7) Any action taken by the Deferred Compensation Manager under section (6) of this rule must be presented to the Board at its next scheduled meeting. The Board may take action as authorized by ORS 243.401 to 243.507. If the Board does not act, the action(s) taken by the Deferred Compensation Manager shall expire on the first business day following the date of the meeting.

(8) The restrictions provided in this rule are not exclusive. The Board may establish additional restrictions or sanctions as authorized by ORS 243.401 to 243.507.

Stat. Auth.: ORS 243.470

Stats. Implemented: ORS 243.401 - 243.507