

FINAL BILL REPORT

ESSB 5195

C 81 L 99

Synopsis as Enacted

Brief Description: Protecting employee benefits.

Sponsors: Senate Committee on Judiciary (originally sponsored by Senators Heavey, Johnson, Kline and Winsley).

Senate Committee on Judiciary

House Committee on Judiciary

Background: Except for child support collection actions or unless otherwise provided by federal law, all federal and certain state pension plans are exempt from execution, attachment, garnishment or seizure by legal process. This exemption applies to family members who obtain these pensions after the debtor dies or absconds.

The Washington State Bar Association suggests that other commonly used types of pension plans (such as Roth IRAs, tax sheltered annuities, etc.) should be brought under these same protections from garnishment because federal law encourages these types of savings as a matter of public policy.

Summary: The existing statute which exempts various pension plans from execution, attachment, garnishment or seizure is expanded to include various types of retirement savings plans recognized by the federal government. Included in the term employee benefit plan are tax-sheltered annuities, individual retirement accounts, Roth individual retirement accounts, medical saving accounts, education individual retirement accounts, retirement bonds, and the monies deposited in the advanced college tuition payment plan. Language is added conforming the act to the numerical changes of the IRS Tax Code and to the alternate dispute resolution provisions that are required with disputes of wills or trusts.

Votes on Final Passage:

Senate	43	0
House	81	15

Effective: July 25, 1999