
SENATE BILL 6294

State of Washington

63rd Legislature

2014 Regular Session

By Senators Mullet, Hatfield, Nelson, Keiser, Frockt, and Conway

Read first time 01/20/14. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to creating the save toward a retirement today
2 state retirement savings plan; amending RCW 43.33A.070; reenacting and
3 amending RCW 43.84.092 and 43.84.092; adding new sections to chapter
4 41.50 RCW; providing a contingent effective date; and providing a
5 contingent expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature finds that the majority of
8 small and medium sized businesses are not offering retirement plans to
9 their employees. Reasons cited by small businesses for not offering
10 retirement plans are complexity and costs. Businesses offering
11 retirement plans have a better ability to recruit and retain employees.
12 The start retirement savings plan provides a simple and cost-effective
13 way for employers to offer an important employee benefit. The
14 legislature also finds that many employees do not have access to an
15 employment-based retirement plan. On their own, few people contribute
16 to an individual retirement account and those that do often make poor
17 investment choices. Barriers such as not knowing where to find a
18 quality product and selecting between the complex array of investment
19 choices contribute to inaction. The complexity of investment options

1 also leads many people to pick the safest, lowest-return products,
2 which means losing the traditional long-term gains of the market and is
3 particularly troublesome for younger and mid-career employees. One in
4 six seniors retire in poverty today and access to retirement savings
5 vehicles and pensions is on the decline. Employees who are unable to
6 build up pensions and savings risk living on low incomes in their old
7 age and are more likely to become dependent on state services. It is
8 in the financial best interest of the state to address this problem
9 quickly. The start retirement savings plan provides a simple and
10 inexpensive way for small business owners and their employees to save
11 for retirement.

12 NEW SECTION. **Sec. 2.** The definitions in this section apply
13 throughout this subchapter unless the context clearly requires
14 otherwise.

15 (1) "Enrollee" means any employer or employee in this state that is
16 enrolled in the start retirement savings plan.

17 (2) "Eligible employer" means a person engaged in a business, an
18 industry, a profession, a trade, or any other enterprise in the state,
19 whether for profit or not for profit, that satisfies the requirements
20 to establish or participate in the start retirement savings plan.

21 (3) "Participating employer" means any private or nonprofit
22 employer with employees enrolled in the start retirement savings plan.

23 (4) "Qualified default investment alternative" means types of
24 investments identified by the federal internal revenue service for
25 employees that do not make an investment choice or are automatically
26 enrolled in a retirement plan.

27 (5) "Qualified employee" means those workers that are defined by
28 the federal internal revenue service to be eligible to participate in
29 a specific retirement plan.

30 (6) "Start principal account" means the account created in section
31 7(6) of this act.

32 (7) "Start retirement savings plan" means the retirement savings
33 plan created in section 3 of this act.

34 NEW SECTION. **Sec. 3.** (1)(a) The start retirement savings plan is
35 created. The director is responsible for the design, implementation,
36 and operation of the start retirement savings plan, directly or by

1 contract. The director may employ a staff and hire consultants,
2 administrators, and other professionals as necessary to help implement,
3 maintain, and administer the start retirement savings plan.

4 (b) The start retirement savings plan must ultimately be self-
5 sustaining, with funding derived from the fees paid by individual
6 account holders. State general fund dollars may be allocated to the
7 department for the start retirement savings plan operations until it
8 reaches self-sustainability. The start retirement savings plan may use
9 other sources for startup capital. At no time shall funds from the
10 department of retirement systems expense account be used to administer
11 the start retirement savings plan or to obtain funding. At no time may
12 the start retirement savings plan funds be commingled with public
13 sector employee retirement funds.

14 (2)(a) The start retirement savings plan shall consist of a two-
15 tier system with one or more: Internal revenue service approved
16 employer plans open to all employers who choose to contribute to their
17 employees' accounts, and internal revenue service approved workplace-
18 based individual retirement accounts open to all employees of
19 participating employers.

20 (b) Any employer sponsored plan shall be open only to employers
21 employing fewer than one hundred qualified employees at the time of
22 enrollment. Self-employed individuals, independent contractors, and
23 sole proprietorships without employees are also eligible to
24 participate.

25 (c) Prior to the enrollment of any private or nonprofit sector
26 employee or employer in the start retirement savings plan, the director
27 shall develop a plan for the structure and operation of the start
28 retirement savings plan. The director shall seek approval, if
29 necessary, from the federal internal revenue service to operate the
30 plans and to offer the plans and accounts to Washington employers and
31 employees on a tax-qualified basis.

32 (d) The department shall design the start retirement savings plan
33 to limit liability to the state and participating businesses. The
34 department shall determine if section 404(c) of the federal employee
35 retirement income security act of 1974 applies to the start retirement
36 savings plan and, if so, shall take advantage of safe harbor provisions
37 whenever possible. These provisions shall include the use of target
38 date or other similar funds, the asset allocations and maturities of

1 which are designed to coincide with the expected date of retirement as
2 the qualified default investment alternative, and as few additional
3 investment options as possible while still meeting the federal
4 requirements of providing a broad range of investment alternatives.

5 (e) Participation in the start retirement savings plan must be
6 voluntary for employers. Employers can choose to participate by
7 offering a plan that allows for their contribution to employee accounts
8 or may establish a plan that only allows for employee contributions.
9 Participation by employees is optional, though they may be
10 automatically enrolled in employer plans that allow it. Employees
11 automatically enrolled may choose not to participate by opting out.
12 The plans and accounts must include the option for enrollees to roll
13 pretax contributions into an individual retirement account or another
14 eligible retirement plan after ceasing participation in the start
15 retirement savings plan.

16 (3) The department shall determine reasonable administrative fee
17 levels for participant accounts.

18 (4) Enrollment in the start retirement savings plan is not an
19 entitlement and must not result in expenditures that exceed the amount
20 available in the start principal account.

21 NEW SECTION. **Sec. 4.** (1) The department may periodically review
22 participation levels and fund balances in order to make projections of
23 start retirement savings plan self-sustainability.

24 (2)(a) At any time after the fourth year after the start retirement
25 savings plan first began accepting participating employers, the
26 department determines based on projections that the start retirement
27 savings plan will not reach sustainable levels the start retirement
28 savings plan may be terminated.

29 (b) If at the end of the tenth year after the start retirement
30 savings plan first began accepting participating employers, the start
31 retirement savings plan has not reached the size necessary to be self-
32 supporting with an appropriate level of administrative fees, the start
33 retirement savings plan terminates.

34 (c) In the event that the start retirement savings plan is
35 terminated, the director shall, to the extent permitted by federal law,
36 enable members to transfer accumulated funds into other tax-qualified
37 retirement accounts.

1 NEW SECTION. **Sec. 5.** Following the design and approval of the
2 start retirement savings plan under section 3 of this act, the director
3 shall adopt all rules necessary for the implementation and operation of
4 the start retirement savings plan. Rules shall be written to comply
5 with federal standards and may incorporate federal recommendations that
6 are in the best interests of enrollees and the operations of the plan.
7 As part of the rule development process, the director shall consult
8 with employers, employees, private and nonprofit sector retirement plan
9 administrators and providers, and any other individuals or entities
10 that the director determines relevant to the development of an
11 effective and efficient method for operating the start retirement
12 savings plan.

13 NEW SECTION. **Sec. 6.** The director may enter into agreements with
14 and pay a fee to organizations and individuals that market and sell the
15 start retirement savings plan, including but not limited to financial
16 services companies, credit unions, and independent brokers and agents.
17 The fee may vary based on the size of the business enrolled.

18 NEW SECTION. **Sec. 7.** (1) The start principal account is created
19 in the state treasury and shall be administered in compliance with
20 applicable federal law and as set forth in this section. The
21 department may make arrangements with financial institutions to serve
22 as trustees or custodians of the start retirement savings plan as may
23 be required or advisable to comply with applicable federal law and to
24 provide for the efficient implementation and administration of the
25 start retirement savings plan.

26 (2) The contributions elected by participating employees in
27 accordance with section 3 of this act shall be paid into the start
28 principal account and shall be sufficient to cover costs of
29 administration and staffing in addition to such other amounts as may be
30 determined by the director. The account shall be used to carry out the
31 purposes of this subchapter.

32 (3) All moneys in the start principal account and the start
33 administrative account, all property and rights purchased therewith,
34 and all income attributable thereto, shall be held in trust by the
35 state investment board, as set forth under RCW 43.33A.030, for the
36 exclusive benefit of the start retirement savings plan participants and

1 their beneficiaries, and, notwithstanding any other provision of this
2 or related acts, shall be held separate from other types of funds to
3 the extent required by federal law. Neither the participating
4 employee, nor the participant's beneficiary or beneficiaries, nor any
5 other designee, has any right to commute, sell, assign, transfer, or
6 otherwise convey the right to receive any payments under the start
7 retirement savings plan. These payments and rights are nonassignable
8 and nontransferable. Account balances are not subject to attachment,
9 garnishment, or execution and are not transferable by operation of law
10 in event of bankruptcy or insolvency, except to the extent otherwise
11 required by law.

12 (4) The state investment board has the full power to invest moneys
13 in the start principal account and the start administrative account in
14 accordance with RCW 43.84.150, 43.33A.140, and this subchapter, and
15 cumulative investment directions received under this subchapter. All
16 investment and operating costs of the state investment board associated
17 with the investment of the start retirement savings plan assets shall
18 be paid under RCW 43.33A.160 and 43.84.160. With the exception of
19 these expenses, one hundred percent of all earnings from these
20 investments shall accrue directly to the start principal account.

21 (5)(a) No state board, commission, or agency, or any officer,
22 employee, or member thereof is liable for any loss or deficiency
23 resulting from participant investments selected under this subchapter.

24 (b) The state investment board, or any officer, employee, or member
25 thereof is not liable for any loss or deficiency resulting from
26 reasonable efforts to implement investment directions under this
27 subchapter.

28 (6) The start administrative account is created in the state
29 treasury. Federal appropriations or philanthropic grants received
30 specifically for the start retirement savings plan shall be deposited
31 in the start administrative account. Expenses of the department
32 pertaining to the start retirement savings plan including staffing and
33 administrative expenses shall be paid out of the start administrative
34 account. Any excess balances credited to this account over
35 administrative expenses disbursed from this account shall be
36 transferred to the start principal account at such time and in such
37 amounts as may be determined by the director with the approval of the
38 director of financial management. Any deficiency in the start

1 administrative account caused by an excess of administrative expenses
2 disbursed from this account shall be transferred to this account from
3 the start principal account.

4 (7)(a)(i) The director shall keep or cause to be kept full and
5 adequate accounts and records of the assets of each individual
6 participant, and obligations, transactions, and affairs of the start
7 retirement savings plan. The department shall account for and report
8 on the investment of the start retirement savings plan assets or may
9 enter into an agreement with the state investment board for accounting
10 and reporting.

11 (ii) The director's duties related to individual participant
12 accounts include conducting the activities of trade instruction,
13 settlement activities, and direction of cash movement and related wire
14 transfers with the custodian bank and outside investment firms.

15 (iii) The director may establish contracts with recordkeepers to
16 fulfill the duties of sections 1 through 7 of this act. The director
17 has sole responsibility for contracting with any recordkeepers and
18 shall manage the performance of recordkeepers under those contracts.
19 In establishing contracts, the director shall give consideration to
20 contracts that assign primary liability for all tort and contract
21 actions to the contractor. In establishing such contracts, the
22 department shall assume secondary liability and joint and several
23 liability shall be preserved. When considering a contract that assigns
24 primary liability to the contractor, the director shall determine the
25 potential liability and the costs and benefits of adding this provision
26 to contract language.

27 (b) The director may contract with private sector financial
28 services firms to enroll eligible private and nonprofit sector
29 employers and employees in the start retirement savings plan. The
30 director may establish contracts with financial services firms for this
31 function.

32 (c)(i) The director's duties under (a)(ii) of this subsection do
33 not limit the authority of the state investment board to conduct its
34 responsibilities for asset management and balancing of the start
35 retirement savings plan funds.

36 (ii) The state investment board has sole responsibility for
37 contracting with outside investment firms to provide investment
38 management for the start retirement savings plan funds and shall manage

1 the performance of investment managers under those contracts. In
2 establishing contracts, the state investment board shall give
3 consideration to contracts that assign primary liability for all tort
4 and contract actions to the contractor. In establishing such
5 contracts, the state investment board shall assume secondary liability
6 and joint and several liability shall be preserved. When considering
7 a contract that assigns primary liability to the contractor, the state
8 investment board shall determine the potential liability and the costs
9 and benefits of adding this provision to contract language.

10 (d) The state treasurer shall designate and define the terms of
11 engagement for the custodial banks.

12 NEW SECTION. **Sec. 8.** Private and nonprofit employers may provide
13 employees with the opportunity to enroll in the start retirement
14 savings plan, including providing for payroll deductions for those
15 employees that enroll in the start retirement savings plan. Employers
16 with employees enrolled in the start retirement savings plan are
17 authorized to contract with the enrolled employees to defer or
18 contribute a portion of the enrolled employees' compensation, in
19 accordance with the start retirement savings plan rules.

20 NEW SECTION. **Sec. 9.** The director shall report biennially to the
21 relevant committees of the legislature on the effectiveness and
22 efficiency of the start retirement savings plan, including the levels
23 of enrollment, the financial status of the start retirement savings
24 plan, and the retirement savings levels of participating enrollees.

25 NEW SECTION. **Sec. 10.** If any part of this act is found to be in
26 conflict with federal requirements that are a prescribed condition to
27 the allocation of federal funds to the state, the conflicting part of
28 this act is inoperative solely to the extent of the conflict and with
29 respect to the agencies directly affected, and this finding does not
30 affect the operation of the remainder of this act in its application to
31 the agencies concerned. Rules adopted under this act must meet federal
32 requirements that are a necessary condition to the receipt of federal
33 funds by the state.

1 respects to chapter 43.88 RCW, but no appropriation is required for
2 payments to financial institutions. Payments shall occur prior to
3 distribution of earnings set forth in subsection (4) of this section.

4 (4) Monthly, the state treasurer shall distribute the earnings
5 credited to the treasury income account. The state treasurer shall
6 credit the general fund with all the earnings credited to the treasury
7 income account except:

8 (a) The following accounts and funds shall receive their
9 proportionate share of earnings based upon each account's and fund's
10 average daily balance for the period: The aeronautics account, the
11 aircraft search and rescue account, the Alaskan Way viaduct replacement
12 project account, the brownfield redevelopment trust fund account, the
13 budget stabilization account, the capital vessel replacement account,
14 the capitol building construction account, the Cedar River channel
15 construction and operation account, the Central Washington University
16 capital projects account, the charitable, educational, penal and
17 reformatory institutions account, the cleanup settlement account, the
18 Columbia river basin water supply development account, the Columbia
19 river basin taxable bond water supply development account, the Columbia
20 river basin water supply revenue recovery account, the common school
21 construction fund, the county arterial preservation account, the county
22 criminal justice assistance account, the deferred compensation
23 administrative account, the deferred compensation principal account,
24 the department of licensing services account, the department of
25 retirement systems expense account, the developmental disabilities
26 community trust account, the drinking water assistance account, the
27 drinking water assistance administrative account, the drinking water
28 assistance repayment account, the Eastern Washington University capital
29 projects account, the Interstate 405 express toll lanes operations
30 account, the education construction fund, the education legacy trust
31 account, the election account, the energy freedom account, the energy
32 recovery act account, the essential rail assistance account, The
33 Evergreen State College capital projects account, the federal forest
34 revolving account, the ferry bond retirement fund, the freight mobility
35 investment account, the freight mobility multimodal account, the grade
36 crossing protective fund, the public health services account, the high
37 capacity transportation account, the state higher education
38 construction account, the higher education construction account, the

1 highway bond retirement fund, the highway infrastructure account, the
2 highway safety fund, the high occupancy toll lanes operations account,
3 the hospital safety net assessment fund, the industrial insurance
4 premium refund account, the judges' retirement account, the judicial
5 retirement administrative account, the judicial retirement principal
6 account, the local leasehold excise tax account, the local real estate
7 excise tax account, the local sales and use tax account, the marine
8 resources stewardship trust account, the medical aid account, the
9 mobile home park relocation fund, the motor vehicle fund, the
10 motorcycle safety education account, the multimodal transportation
11 account, the multiuse roadway safety account, the municipal criminal
12 justice assistance account, the natural resources deposit account, the
13 oyster reserve land account, the pension funding stabilization account,
14 the perpetual surveillance and maintenance account, the public
15 employees' retirement system plan 1 account, the public employees'
16 retirement system combined plan 2 and plan 3 account, the public
17 facilities construction loan revolving account beginning July 1, 2004,
18 the public health supplemental account, the public works assistance
19 account, the Puget Sound capital construction account, the Puget Sound
20 ferry operations account, the real estate appraiser commission account,
21 the recreational vehicle account, the regional mobility grant program
22 account, the resource management cost account, the rural arterial trust
23 account, the rural mobility grant program account, the rural Washington
24 loan fund, the site closure account, the skilled nursing facility
25 safety net trust fund, the small city pavement and sidewalk account,
26 the special category C account, the special wildlife account, the start
27 administrative account, the start principal account, the state
28 employees' insurance account, the state employees' insurance reserve
29 account, the state investment board expense account, the state
30 investment board commingled trust fund accounts, the state patrol
31 highway account, the state route number 520 civil penalties account,
32 the state route number 520 corridor account, the state wildlife
33 account, the supplemental pension account, the Tacoma Narrows toll
34 bridge account, the teachers' retirement system plan 1 account, the
35 teachers' retirement system combined plan 2 and plan 3 account, the
36 tobacco prevention and control account, the tobacco settlement account,
37 the toll facility bond retirement account, the transportation 2003
38 account (nickel account), the transportation equipment fund, the

1 transportation fund, the transportation improvement account, the
2 transportation improvement board bond retirement account, the
3 transportation infrastructure account, the transportation partnership
4 account, the traumatic brain injury account, the tuition recovery trust
5 fund, the University of Washington bond retirement fund, the University
6 of Washington building account, the volunteer firefighters' and reserve
7 officers' relief and pension principal fund, the volunteer
8 firefighters' and reserve officers' administrative fund, the Washington
9 judicial retirement system account, the Washington law enforcement
10 officers' and firefighters' system plan 1 retirement account, the
11 Washington law enforcement officers' and firefighters' system plan 2
12 retirement account, the Washington public safety employees' plan 2
13 retirement account, the Washington school employees' retirement system
14 combined plan 2 and 3 account, the Washington state economic
15 development commission account, the Washington state health insurance
16 pool account, the Washington state patrol retirement account, the
17 Washington State University building account, the Washington State
18 University bond retirement fund, the water pollution control revolving
19 administration account, the water pollution control revolving fund, the
20 Western Washington University capital projects account, the Yakima
21 integrated plan implementation account, the Yakima integrated plan
22 implementation revenue recovery account, and the Yakima integrated plan
23 implementation taxable bond account. Earnings derived from investing
24 balances of the agricultural permanent fund, the normal school
25 permanent fund, the permanent common school fund, the scientific
26 permanent fund, the state university permanent fund, and the state
27 reclamation revolving account shall be allocated to their respective
28 beneficiary accounts.

29 (b) Any state agency that has independent authority over accounts
30 or funds not statutorily required to be held in the state treasury that
31 deposits funds into a fund or account in the state treasury pursuant to
32 an agreement with the office of the state treasurer shall receive its
33 proportionate share of earnings based upon each account's or fund's
34 average daily balance for the period.

35 (5) In conformance with Article II, section 37 of the state
36 Constitution, no treasury accounts or funds shall be allocated earnings
37 without the specific affirmative directive of this section.

1 **Sec. 13.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 25 and 2013 2nd
2 sp.s. c 11 s 16 are each reenacted and amended to read as follows:

3 (1) All earnings of investments of surplus balances in the state
4 treasury shall be deposited to the treasury income account, which
5 account is hereby established in the state treasury.

6 (2) The treasury income account shall be utilized to pay or receive
7 funds associated with federal programs as required by the federal cash
8 management improvement act of 1990. The treasury income account is
9 subject in all respects to chapter 43.88 RCW, but no appropriation is
10 required for refunds or allocations of interest earnings required by
11 the cash management improvement act. Refunds of interest to the
12 federal treasury required under the cash management improvement act
13 fall under RCW 43.88.180 and shall not require appropriation. The
14 office of financial management shall determine the amounts due to or
15 from the federal government pursuant to the cash management improvement
16 act. The office of financial management may direct transfers of funds
17 between accounts as deemed necessary to implement the provisions of the
18 cash management improvement act, and this subsection. Refunds or
19 allocations shall occur prior to the distributions of earnings set
20 forth in subsection (4) of this section.

21 (3) Except for the provisions of RCW 43.84.160, the treasury income
22 account may be utilized for the payment of purchased banking services
23 on behalf of treasury funds including, but not limited to, depository,
24 safekeeping, and disbursement functions for the state treasury and
25 affected state agencies. The treasury income account is subject in all
26 respects to chapter 43.88 RCW, but no appropriation is required for
27 payments to financial institutions. Payments shall occur prior to
28 distribution of earnings set forth in subsection (4) of this section.

29 (4) Monthly, the state treasurer shall distribute the earnings
30 credited to the treasury income account. The state treasurer shall
31 credit the general fund with all the earnings credited to the treasury
32 income account except:

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and fund's
35 average daily balance for the period: The aeronautics account, the
36 aircraft search and rescue account, the Alaskan Way viaduct replacement
37 project account, the brownfield redevelopment trust fund account, the
38 budget stabilization account, the capital vessel replacement account,

1 the capitol building construction account, the Cedar River channel
2 construction and operation account, the Central Washington University
3 capital projects account, the charitable, educational, penal and
4 reformatory institutions account, the cleanup settlement account, the
5 Columbia river basin water supply development account, the Columbia
6 river basin taxable bond water supply development account, the Columbia
7 river basin water supply revenue recovery account, the Columbia river
8 crossing project account, the common school construction fund, the
9 county arterial preservation account, the county criminal justice
10 assistance account, the deferred compensation administrative account,
11 the deferred compensation principal account, the department of
12 licensing services account, the department of retirement systems
13 expense account, the developmental disabilities community trust
14 account, the drinking water assistance account, the drinking water
15 assistance administrative account, the drinking water assistance
16 repayment account, the Eastern Washington University capital projects
17 account, the Interstate 405 express toll lanes operations account, the
18 education construction fund, the education legacy trust account, the
19 election account, the energy freedom account, the energy recovery act
20 account, the essential rail assistance account, The Evergreen State
21 College capital projects account, the federal forest revolving account,
22 the ferry bond retirement fund, the freight mobility investment
23 account, the freight mobility multimodal account, the grade crossing
24 protective fund, the public health services account, the high capacity
25 transportation account, the state higher education construction
26 account, the higher education construction account, the highway bond
27 retirement fund, the highway infrastructure account, the highway safety
28 fund, the high occupancy toll lanes operations account, the hospital
29 safety net assessment fund, the industrial insurance premium refund
30 account, the judges' retirement account, the judicial retirement
31 administrative account, the judicial retirement principal account, the
32 local leasehold excise tax account, the local real estate excise tax
33 account, the local sales and use tax account, the marine resources
34 stewardship trust account, the medical aid account, the mobile home
35 park relocation fund, the motor vehicle fund, the motorcycle safety
36 education account, the multimodal transportation account, the multiuse
37 roadway safety account, the municipal criminal justice assistance
38 account, the natural resources deposit account, the oyster reserve land

1 account, the pension funding stabilization account, the perpetual
2 surveillance and maintenance account, the public employees' retirement
3 system plan 1 account, the public employees' retirement system combined
4 plan 2 and plan 3 account, the public facilities construction loan
5 revolving account beginning July 1, 2004, the public health
6 supplemental account, the public works assistance account, the Puget
7 Sound capital construction account, the Puget Sound ferry operations
8 account, the real estate appraiser commission account, the recreational
9 vehicle account, the regional mobility grant program account, the
10 resource management cost account, the rural arterial trust account, the
11 rural mobility grant program account, the rural Washington loan fund,
12 the site closure account, the skilled nursing facility safety net trust
13 fund, the small city pavement and sidewalk account, the special
14 category C account, the special wildlife account, the start
15 administrative account, the start principal account, the state
16 employees' insurance account, the state employees' insurance reserve
17 account, the state investment board expense account, the state
18 investment board commingled trust fund accounts, the state patrol
19 highway account, the state route number 520 civil penalties account,
20 the state route number 520 corridor account, the state wildlife
21 account, the supplemental pension account, the Tacoma Narrows toll
22 bridge account, the teachers' retirement system plan 1 account, the
23 teachers' retirement system combined plan 2 and plan 3 account, the
24 tobacco prevention and control account, the tobacco settlement account,
25 the toll facility bond retirement account, the transportation 2003
26 account (nickel account), the transportation equipment fund, the
27 transportation fund, the transportation improvement account, the
28 transportation improvement board bond retirement account, the
29 transportation infrastructure account, the transportation partnership
30 account, the traumatic brain injury account, the tuition recovery trust
31 fund, the University of Washington bond retirement fund, the University
32 of Washington building account, the volunteer firefighters' and reserve
33 officers' relief and pension principal fund, the volunteer
34 firefighters' and reserve officers' administrative fund, the Washington
35 judicial retirement system account, the Washington law enforcement
36 officers' and firefighters' system plan 1 retirement account, the
37 Washington law enforcement officers' and firefighters' system plan 2
38 retirement account, the Washington public safety employees' plan 2

1 retirement account, the Washington school employees' retirement system
2 combined plan 2 and 3 account, the Washington state economic
3 development commission account, the Washington state health insurance
4 pool account, the Washington state patrol retirement account, the
5 Washington State University building account, the Washington State
6 University bond retirement fund, the water pollution control revolving
7 administration account, the water pollution control revolving fund, the
8 Western Washington University capital projects account, the Yakima
9 integrated plan implementation account, the Yakima integrated plan
10 implementation revenue recovery account, and the Yakima integrated plan
11 implementation taxable bond account. Earnings derived from investing
12 balances of the agricultural permanent fund, the normal school
13 permanent fund, the permanent common school fund, the scientific
14 permanent fund, the state university permanent fund, and the state
15 reclamation revolving account shall be allocated to their respective
16 beneficiary accounts.

17 (b) Any state agency that has independent authority over accounts
18 or funds not statutorily required to be held in the state treasury that
19 deposits funds into a fund or account in the state treasury pursuant to
20 an agreement with the office of the state treasurer shall receive its
21 proportionate share of earnings based upon each account's or fund's
22 average daily balance for the period.

23 (5) In conformance with Article II, section 37 of the state
24 Constitution, no treasury accounts or funds shall be allocated earnings
25 without the specific affirmative directive of this section.

26 NEW SECTION. **Sec. 14.** Section 12 of this act expires on the date
27 the requirements set out in section 7, chapter 36, Laws of 2012 are
28 met.

29 NEW SECTION. **Sec. 15.** Section 13 of this act takes effect on the
30 date the requirements set out in section 7, chapter 36, Laws of 2012
31 are met.

32 NEW SECTION. **Sec. 16.** Sections 1 through 10 of this act are each
33 added to chapter 41.50 RCW and codified with the subchapter heading of

1 "save toward a retirement today."

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