

**ESSB 6069 - H AMD 1232**

By Representative Santos

**ADOPTED AS AMENDED 03/01/2024**

1 Strike everything after the enacting clause and insert the  
2 following:

3 **"PART I**  
4 **WASHINGTON SAVES**

5 NEW SECTION. **Sec. 1.** ESTABLISHMENT. (1) Washington saves is  
6 established to serve as a vehicle through which covered employees  
7 may, on a voluntary basis, provide for additional retirement security  
8 through a state-facilitated retirement savings program in a  
9 convenient, cost-effective, and portable manner.

10 (2) Washington saves is intended as a public-private partnership  
11 that will encourage, not replace or compete with, employer-sponsored  
12 retirement plans.

13 (3) Washington saves must be designed in consultation with  
14 covered employers and covered employees to ensure that the businesses  
15 and workers intended to benefit from the program are provided ample  
16 opportunity to learn about and give input on the program design and  
17 timeline for implementation before the program is made publicly  
18 available.

19 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
20 section apply throughout this chapter unless the context clearly  
21 requires otherwise.

22 (1) "Administrative account" means the Washington saves  
23 administrative treasury trust account created in section 11 of this  
24 act.

25 (2) "Complainant" means a covered employee, or that employee's  
26 designee who has written or legal authority to act on behalf of the  
27 employee, who files a complaint alleging an employer administrative  
28 violation of section 3 of this act who learned of the alleged  
29 violation by way of their employment with a covered employer.

1 (3) "Consumer price index" means the consumer price index for all  
2 urban consumers, all items, for the Seattle area as calculated by the  
3 United States bureau of labor statistics or its successor agency.

4 (4) "Covered employee" means an individual who is 18 years of age  
5 or older, who is employed by a covered employer.

6 (5) "Covered employer" means any employer that:

7 (a) Has been in business in this state for at least two years as  
8 of the immediately preceding calendar year;

9 (b) Maintains a physical presence;

10 (c) Does not offer a qualified retirement plan to their covered  
11 employees who have had continuous employment of one year or more; and

12 (d) Employs, and at any point during the immediately preceding  
13 calendar year employed, employees working a combined minimum of  
14 10,400 hours.

15 (6) "Department" means the department of labor and industries.

16 (7) "Employer" means a person or entity engaged in a business,  
17 profession, trade, or other enterprise in the state, whether for  
18 profit or not for profit. "Employer" does not include federal or  
19 state entities, agencies, or instrumentalities, or any political  
20 subdivision thereof.

21 (8) "Employer administrative duties" include all requirements of  
22 covered employers under section 3 of this act that do not involve  
23 amounts due to the employee.

24 (9) "Employment" has the same meaning as in RCW 50.04.100.

25 (10) "Governing board" means the board created in section 4 of  
26 this act.

27 (11) "Individual account" means an IRA established by or for an  
28 individual participant and owned by the individual participant  
29 pursuant to this chapter.

30 (12) "Individual participant" means any individual who is  
31 contributing to, or has a balance credited in, an IRA through the  
32 program.

33 (13) "Internal revenue code" means the federal internal revenue  
34 code of 1986, as amended, or any successor law.

35 (14) "IRA" means a traditional or Roth individual retirement  
36 account or individual retirement annuity described in section 408(a),  
37 408(b), or 408A of the internal revenue code.

38 (15) "Payroll deduction IRA agreement" means an arrangement by  
39 which a participating employer makes payroll deductions authorized by

1 this chapter and remits amounts deducted as contributions to IRAs on  
2 behalf of individual participants.

3 (16) "Program" means the Washington saves program established  
4 under this chapter.

5 (17) "Qualified retirement plan" means a retirement plan in  
6 compliance with applicable federal law for employees including those  
7 described in section 401(a), 401(k), 403(a), 403(b), 408(k), or  
8 408(p) of the internal revenue code. A qualified retirement plan may  
9 require continuous employment of up to one year to be eligible for  
10 employee participation.

11 (18) "Wages" means any commission, compensation, salary, or other  
12 remuneration, as defined by section 219(f)(1) of the internal revenue  
13 code, received by a covered employee from a covered employer.

14 NEW SECTION. **Sec. 3.** GENERAL PROVISIONS. (1) The program:

15 (a) Allows covered employees to contribute to an IRA through  
16 automatic payroll deductions or additional retirement savings  
17 vehicles;

18 (b) Requires covered employers to fulfill the requirements  
19 provided in subsection (3) of this section;

20 (c) Facilitates automatic enrollment for covered employees and  
21 allows for covered employees to opt out of the plan;

22 (d) Has a default contribution rate, set by the governing board  
23 by rule. The default contribution rate may not be less than three  
24 percent or more than seven percent of wages; and

25 (e) Has a default escalation rate, set by the governing board by  
26 rule. The default escalation rate may not exceed one percent per  
27 year. The maximum contribution rate based on the default escalation  
28 rate may not exceed 10 percent of wages.

29 (2)(a) Covered employees, who do not opt out of the program, are  
30 automatically enrolled in the program at the default rate or at an  
31 amount expressly specified by the employee in connection with the  
32 payroll deduction IRA agreement. Individual participants may modify  
33 their contribution rates or amounts or terminate their participation  
34 in the program at any time, subject to procedure defined by rule by  
35 the governing board. All contribution amounts are subject to the  
36 dollar limits on contributions provided by federal law.

37 (b) Contributions must be invested in the default investment  
38 option unless the individual participant affirmatively elects to  
39 invest some or all balances in one or more approved investment

1 options offered by the program. An individual participant must have  
2 the opportunity to change investments for either future contributions  
3 or existing balances, or both, subject to requirements defined by  
4 rule by the governing board.

5 (c) Individual accounts are portable. A former individual  
6 participant who is either unemployed, or is employed by a noncovered  
7 employer, must be permitted to contribute to their individual  
8 account.

9 (d) An individual participant's and former individual  
10 participant's ability to withdraw, roll over, or transfer account  
11 balances is subject to, and liable for, all fees, penalties, and  
12 taxes under applicable law.

13 (e) An individual participant's or former individual  
14 participant's ability to receive distributions of contributions and  
15 earnings is subject to applicable law.

16 (3) (a) Each covered employer must facilitate the opportunity for  
17 covered employees to participate in the program by fulfilling the  
18 following administrative duties, as defined by rule by the governing  
19 board:

20 (i) Register with the program and provide the program  
21 administrator relevant information about covered employees;

22 (ii) (A) Assist the program by offering all covered employees the  
23 choice to either participate by voluntarily contributing to an IRA or  
24 opt out; or

25 (B) Automatically enroll covered employees in a qualified  
26 retirement plan offered by a trade association or chamber of commerce  
27 and permit covered employees to opt out;

28 (iii) Timely remit participant contributions; and

29 (iv) Distribute program information and disclosures to covered  
30 employees, as provided in section 4(14) of this act.

31 (b) The employers' role in the program is solely ministerial. In  
32 accordance with federal law, employers are prohibited from  
33 contributing funds to the IRAs through the program.

34 (c) Employers are not fiduciaries with respect to, or are liable  
35 for, the program, related information, educational materials, or  
36 forms or disclosures approved by the governing board, or the  
37 selection or performance of vendors selected by the governing board.  
38 An employer is not responsible for or obligated to monitor a covered  
39 employee's or individual participant's decision to participate in or  
40 opt out of the program, for contribution decisions, investment

1 decisions, or failure to comply with the statutory eligibility  
2 conditions or limits on IRA contributions. An employer does not  
3 guarantee any investment, rate of return, or interest on assets in  
4 any individual participant account or the administrative account or  
5 is liable for any market losses, failure to realize gains, or any  
6 other adverse consequences, including the loss of favorable tax  
7 treatment or public assistance benefits, incurred by any person as a  
8 result of participating in the program. Nothing in this section  
9 relieves an employer from liability for criminal, fraudulent,  
10 tortious, or otherwise actionable conduct including liability related  
11 to the failure to remit employee contributions.

12 (4) (a) The governing board must determine the type or types of  
13 IRA accounts available under the program.

14 (b) An individual participant's contributions and earnings may be  
15 combined for investment and custodial purposes only. Separate records  
16 and accounting are required for individual accounts. Reports on the  
17 status of individual accounts must be provided to each individual  
18 participant at least annually. Individual participants must have  
19 online access to their accounts.

20 (c) Any moneys placed in these accounts may not be counted as  
21 assets for the purposes of state or local means-tested program  
22 eligibility or levels of state means-tested program eligibility.

23 NEW SECTION. **Sec. 4.** GOVERNING BOARD—RESPONSIBILITIES. (1) The  
24 governing board shall design and administer the program for the  
25 exclusive benefit of individual participants and beneficiaries with  
26 the care and skill of a knowledgeable, prudent individual.

27 (2) The governing board is comprised of 15 members as follows:

28 (a) The president of the senate shall appoint one member from  
29 each of the two largest caucuses of the senate;

30 (b) The speaker of the house of representatives shall appoint one  
31 member from each of the two largest caucuses of the house of  
32 representatives;

33 (c) The state treasurer;

34 (d) The director of the department or the director's designee;  
35 and

36 (e) The following members representing the diversity and  
37 geography of the state, appointed by the governor:

38 (i) One member representing the securities industry;

39 (ii) One member representing the insurance industry;

1 (iii) One member who is a certified financial planner recommended  
2 by the national association of insurance and financial advisors of  
3 Washington;

4 (iv) One member representing the interests of small, independent  
5 businesses in Washington;

6 (v) One member representing the interests of minority-owned and  
7 women-owned businesses in Washington;

8 (vi) One member representing the Washington asset building  
9 coalition;

10 (vii) One member representing a retirement advocacy organization;

11 (viii) One member representing covered employees; and

12 (ix) One member representing covered employers.

13 (3)(a) The legislative member from the majority caucus of the  
14 house of representatives shall convene the initial meeting of the  
15 governing board. The governing board shall choose cochairs selected  
16 from the legislative membership for the design stage of the program  
17 until July 1, 2027. The governing board shall provide recommendations  
18 in the legislative report about who should be the chair of the  
19 governing board once the program is operational after July 1, 2027.

20 (b) After July 1, 2027, the legislative members of the governing  
21 board serve in an ex officio, advisory role to the governing board.

22 (4) Members who are appointed by the governor serve three-year  
23 terms and may be appointed for a second three-year term at the  
24 discretion of the governor. Members who are appointed by the governor  
25 may serve up to two terms over the course of their lifetime. The  
26 governor may stagger the terms of the appointed members.

27 (5) The governing board may appoint work groups to support the  
28 design and administration of the program. Work groups do not serve a  
29 voting function on the governing board and may include individuals  
30 who are not members of the governing board. Any work group  
31 established by the governing board is a class one group under RCW  
32 43.03.220. Work group members receive compensation accordingly.

33 (6) Other state agencies must provide appropriate and reasonable  
34 assistance to the program as needed, including gathering data and  
35 information, in order for the governing board to carry out the  
36 purposes of this chapter. The governing board may reimburse the other  
37 state agencies from the administrative account for reasonable  
38 expenses incurred in providing appropriate and reasonable assistance.

39 (7)(a) The governing board must begin meeting in 2025.

1 (b) The governing board may conduct meetings remotely by  
2 teleconference or videoconference, including to obtain a quorum and  
3 to take votes on any measure.

4 (c) Each voting governing board member has one vote. The powers  
5 of the governing board must be exercised by a majority of all voting  
6 members present at the meeting of the governing board, whether in  
7 person or remotely. A quorum is required to convene a meeting of the  
8 governing board and to act on any measure before the governing board.

9 (8) The governing board shall establish, design, develop,  
10 implement, maintain, and oversee the program in accordance with this  
11 chapter and best practices for retirement saving vehicles.

12 (9) The department of financial institutions shall staff the  
13 governing board and shall provide administrative support to the  
14 governing board.

15 (10) The governing board shall conduct an outreach and education  
16 initiative regarding the design and implementation of the program.  
17 The governing board shall consult, educate, and receive feedback from  
18 covered employers and covered employees regarding the program design  
19 and implementation. The outreach and education initiative must ensure  
20 that diverse employer and employee communities are consulted, that  
21 interpreters are provided, and that written documents and materials  
22 are translated. In order to facilitate accessibility for diverse  
23 affected businesses and employees, the governing board shall work  
24 with the various state commissions to develop culturally and  
25 linguistically responsive outreach and education plans.

26 (11) Regarding investments, the governing board:

27 (a) Has the sole responsibility for contracting with outside  
28 firms to provide investment management for the program funds and  
29 manage the performance of investment managers under those contracts;

30 (b) Must adopt an investment policy statement and ensure that the  
31 investment options offered, including default investment options, are  
32 consistent with the objectives of the program. The menu of investment  
33 options may encompass a range of risk and return opportunities and  
34 must take the following into account:

35 (i) The nature and objectives of the program;

36 (ii) The diverse needs of individual participants;

37 (iii) The desirability of limiting investment choices under the  
38 program to a reasonable number; and

39 (iv) The extensive investment choices available to participants  
40 outside of the program.

1 (12) Regarding the design of the program, the governing board  
2 must:

3 (a) Ensure the program is designed and operated in a manner that  
4 will not cause it to be subject to or preempted by the federal  
5 employment retirement income security act of 1974, as amended, and  
6 that any employer that is not a covered employer shall have no  
7 reporting or registration obligation or requirement to take any  
8 action under the program other than to claim an exemption from  
9 coverage by the program;

10 (b) Design and operate the program to:

11 (i) Minimize costs to individual participants, covered employers,  
12 and the state;

13 (ii) Minimize the risk that covered employees will exceed  
14 applicable annual contribution limits;

15 (iii) Facilitate and encourage employee participation in the  
16 program and participant saving;

17 (iv) Maximize simplicity, including ease of administration for  
18 covered employers and ease of use for individual participants;

19 (v) Maximize portability of individual accounts;

20 (vi) Maximize financial security in retirement; and

21 (vii) Maximize the availability of funds to individual  
22 participants with a goal of having funds available within three  
23 business days following the remittance of payroll deductions by  
24 covered employers, if feasible;

25 (c) Design the program to be compliant with all applicable  
26 requirements under the internal revenue code, including requirements  
27 for favorable tax treatment of IRAs, and any other applicable law or  
28 regulation;

29 (d) Consult with the department of financial institutions, the  
30 department, the office of minority and women's business enterprises,  
31 and the office of the secretary of state to create a strategy to  
32 educate and inform covered employers about employer administrative  
33 duties under this chapter, including the development of culturally  
34 relevant and responsive approaches centered in cultural humility with  
35 outreach to employers that are considered socially vulnerable,  
36 historically marginalized, or face cultural or language barriers to  
37 participate in workplace retirement savings programs;

38 (e) Launch the program by July 1, 2027. The board may stagger  
39 implementation in stages after that date, which may include phasing  
40 in implementation based on the size of employers, or other factors.



1 (13) The governing board may adopt rules to govern the program,  
2 including to govern the following:

3 (a) Employee registration and enrollment process;

4 (b) Employee alternative election procedure including, but not  
5 limited to, the method in which a participating individual may opt  
6 out of participation, change their contribution rate, opt out of  
7 auto-escalation, make nonpayroll contributions, and make withdrawals;

8 (c) Contribution limits, the initial automatic default  
9 contribution rate, and the automatic default escalation rate;

10 (d) Outreach, marketing, and educational initiatives or  
11 publication of online resources, encouragement of participation,  
12 retirement savings, and sound investment practices. Outreach,  
13 marketing, and educational initiatives must promote cultural humility  
14 and engage culturally relevant and responsive approaches while  
15 including special consideration for socially vulnerable communities  
16 historically, or are known to often be, excluded from, marginalized  
17 by, or face barriers to participation in workplace retirement savings  
18 programs; and

19 (e) A process in which individuals who are not covered employees  
20 may participate in the program, including unemployed individuals,  
21 self-employed individuals, and other independent contractors.

22 (14) The governing board shall develop:

23 (a) Information regarding the program;

24 (b) The following disclosures:

25 (i) A description of the benefits and risks associated with  
26 making contributions under the program;

27 (ii) Instructions about how to obtain additional information  
28 about the program;

29 (iii) A description of the tax consequences of an IRA, which may  
30 consist of or include the disclosure statement required to be  
31 distributed by the trustee under the internal revenue code and  
32 treasury regulations thereunder;

33 (iv) A statement that covered employees seeking financial advice  
34 should contact their own financial advisers, that covered employers  
35 are not in a position to provide financial advice, and that covered  
36 employers are not liable for decisions covered employees make under  
37 this chapter;

38 (v) A statement that the program is not an employer-sponsored  
39 retirement plan;

1 (vi) A statement that the covered employee's IRA established  
2 under the program is not guaranteed by the state; and

3 (vii) A statement that neither a covered employer nor the state  
4 will monitor or has an obligation to monitor the covered employee's  
5 eligibility under the internal revenue code to make contributions to  
6 an IRA or to monitor whether the covered employee's contributions to  
7 the IRA established for the covered employee exceed the maximum  
8 permissible IRA contribution; that it is the covered employee's  
9 responsibility to monitor such matters; and that the state, the  
10 program, and the covered employer have no liability with respect to  
11 any failure of the covered employee to be eligible to make IRA  
12 contributions or any contribution in excess of the maximum IRA  
13 contribution;

14 (c) Information, forms, and instructions to be furnished to  
15 covered employees, at such times as the governing board determines,  
16 that provide the covered employee with the procedures for:

17 (i) Making contributions to the covered employee's IRA  
18 established under the program, including a description of the  
19 automatic enrollment rate, the automatic escalation rate and  
20 frequency, and the right to elect to make no contribution or to  
21 change the contribution rate under the program;

22 (ii) Making an investment election with respect to the covered  
23 employee's IRA established under the program, including a description  
24 of the default investment fund; and

25 (iii) Making transfers, rollovers, withdrawals including  
26 instructions on how to access funds, and other distributions from the  
27 covered employee's IRA.

28 (15) The governing board must evaluate options to assist covered  
29 employees and employers to identify private sector providers of  
30 financial advice, to the extent feasible and unless prohibited by  
31 state or federal laws. The governing board must consider options  
32 including, but not limited to, a website established and maintained  
33 by the governing board.

34 (16) The governing board may create or enter into, on behalf of  
35 the program, a consortium, alliance, joint venture, partnership,  
36 compact, or contract with another state or states or their programs  
37 or boards.

38 (17) The governing board must collect administrative fees to  
39 defray the costs of administering the program. If the governing board  
40 creates or enters into a joint program agreement, as provided in

1 subsection (16) of this section, the rate of the administrative fee  
2 for covered employees may not exceed the rate charged to covered  
3 employees of another state participating in the same program.

4 (18) Members of the governing board and the department of  
5 financial institutions are not an insurer of the funds or assets of  
6 the investment fund or individual accounts. Neither of these two  
7 entities are liable for the action or inaction of the other.

8 (19) Members of the governing board and the department of  
9 financial institutions are not liable to the state, to the fund, or  
10 to any other person as a result of their activities as members,  
11 whether ministerial or discretionary, except for willful dishonesty  
12 or intentional violation of law. Members of the governing board and  
13 the department of financial institutions may purchase liability  
14 insurance.

15 (20) The governing board shall submit progress reports to the  
16 appropriate committees of the legislature, in accordance with RCW  
17 43.01.036.

18 (a) The first preliminary report is due December 1, 2025, and  
19 must include feedback to the legislature on the proposed timeline set  
20 forth under this chapter and progress on outreach initiatives and  
21 program implementation.

22 (b) The final report on program design and implementation  
23 recommendations is due December 1, 2026, and must include the  
24 following:

25 (i) A comprehensive summary of outreach activities conducted by  
26 the governing board to receive feedback on design elements and  
27 implementation for the program, including:

28 (A) Types of outreach conducted;

29 (B) Specific calendar dates and time frames in which outreach  
30 occurred;

31 (C) Covered employers and covered employees who were contacted;

32 (D) Subject matters discussed regarding the program and proposed  
33 program structure;

34 (E) The types of retirement account programs covered employers  
35 and covered employees preferred;

36 (F) Explanations of concerns received during the outreach  
37 activities and how those concerns were addressed;

38 (ii) Recommendations on whether the legislature should make  
39 changes to the program's structure or whether any statutory changes  
40 need to occur; and

1 (iii) Recommendations regarding the governing board structure,  
2 including who should chair the governing board and who should staff  
3 the governing board once the program is established and operational,  
4 with consideration for a potential new agency, an existing state  
5 agency, or the office of a standalone statewide elected official.

6 (c) Annual reports including program updates and program  
7 information must begin December 1, 2028, and include information on:

8 (i) Participation;

9 (ii) Account performance;

10 (iii) Board decisions; and

11 (iv) Any recommendations to the legislature regarding the  
12 program.

13 (21) The governing board may consult with the state investment  
14 board and the department of financial institutions regarding program  
15 design and implementation.

16 (22) The governing board shall assure any administrative contract  
17 services for the program provide culturally responsive and relevant  
18 supports rooted in cultural humility while including special  
19 considerations for socially vulnerable communities historically, or  
20 are known to often be, excluded from, marginalized by, or face  
21 barriers to participation in workplace retirement savings programs.

22 NEW SECTION. **Sec. 5.** INVESTMENT MANAGER—RESPONSIBILITIES.

23 (1)(a) After consultation with the governing board, the investment  
24 manager may invest funds associated with the program. The investment  
25 manager, after consultation with the governing board regarding any  
26 recommendations, must provide a set of options for eligible  
27 individuals to choose from for self-directed investment. Any self-  
28 directed investment options must comply with the internal revenue  
29 code.

30 (b) All investment and operating costs of the investment manager  
31 associated with making self-directed investments must be paid by  
32 participants and recovered under procedures agreed to by the  
33 governing board and the investment manager. All other expenses caused  
34 by self-directed investments must be paid by the participant in  
35 accordance with the rules established by the governing board. With  
36 the exception of these expenses, all earnings from self-directed  
37 investments accrue to the individual accounts.

38 (2) The investment manager must invest and manage the assets  
39 entrusted to it:

1 (a) With reasonable care, skill, prudence, and diligence under  
2 circumstances then prevailing which a prudent person acting in a like  
3 capacity and familiar with such matters would use to conduct of an  
4 activity of like character and purpose; and

5 (b) In accordance with the investment policy established by the  
6 governing board.

7 (3) The authority to establish all policies relating to  
8 implementation, design, and management of the program resides with  
9 the governing board.

10 (4) The investment manager must routinely consult and communicate  
11 with the governing board on the investment policy, performance of the  
12 accounts, and related needs of the program.

13 NEW SECTION. **Sec. 6.** LABOR AND INDUSTRIES—RESPONSIBILITIES. (1)  
14 The department has the following responsibilities related to covered  
15 employers, as provided in this chapter:

16 (a) Educate participating employers of their administrative  
17 duties under this chapter;

18 (b) In the case of noncompliance with employer administrative  
19 duties, investigate complaints, educate employers about how to come  
20 into compliance, and, in the case of willful violations, issue  
21 citations and collect penalties;

22 (c) In the case of impermissible withholding of amounts due to  
23 employees, investigate and enforce the complaint as an alleged  
24 violation of a wage payment requirement, as defined in RCW 49.48.082;  
25 and

26 (d) Facilitate a process in which employers may appeal  
27 complaints.

28 (2) Collections of unpaid citations assessing civil penalties by  
29 the department under this chapter must be made pursuant to RCW  
30 49.48.086.

31 NEW SECTION. **Sec. 7.** LABOR AND INDUSTRIES—COMPLIANCE WITH  
32 EMPLOYER ADMINISTRATIVE DUTIES. (1) Covered employers shall comply  
33 with employer administrative duties provided under this chapter.

34 (2) If a complainant files a complaint with the department  
35 alleging any administrative violation, the department shall  
36 investigate the complaint and:

1 (a) If the complaint is filed before January 1, 2030, offer  
2 technical assistance to the employer to bring them into compliance.  
3 Civil penalties may not be assessed before January 1, 2030;

4 (b) If the complaint is filed on or after January 1, 2030,  
5 educate the employer on how to come into compliance and, if necessary  
6 and as provided in this section, enforce penalties for willful  
7 violations.

8 (3) The department may not investigate any alleged violation of  
9 rights that occurred more than three years before the date that the  
10 complainant filed the complaint.

11 (4)(a) If the department finds an employer administrative  
12 violation, the department must first provide an educational letter  
13 outlining the violations and provide 90 days for the employer to  
14 remedy the violations. The employer may ask for an extension for good  
15 cause. The department may extend the period by providing written  
16 notice to the employee and the employer, specifying the duration of  
17 the extension. If the employer fails to remedy the violation within  
18 90 days, the department may issue a citation and notice of assessment  
19 with a civil penalty.

20 (b) Except as provided otherwise in this chapter, the maximum  
21 penalty for a first-time willful violation is \$100 and \$250 for a  
22 second willful violation. For the purposes of this section, "willful"  
23 means a knowing and intentional action that is neither accidental nor  
24 the result of a bona fide dispute. For each subsequent willful  
25 violation, the employer is subject to a maximum penalty amount of  
26 \$500 for each violation.

27 (c) The department may not assess a civil penalty if the employer  
28 reasonably relied on: (i) A rule related to any of the requirements  
29 of this chapter; (ii) a written order, ruling, approval, opinion,  
30 advice, determination, or interpretation of the director of the  
31 department; or (iii) an interpretive or administrative policy issued  
32 by the department and filed pursuant to chapter 34.05 RCW. In  
33 accordance with the department's retention schedule obligations under  
34 chapter 40.14 RCW, the department shall maintain a complete and  
35 accurate record of all written orders, rulings, approvals, opinions,  
36 advice, determinations, and interpretations for purposes of  
37 determining whether an employer is immune from civil penalties under  
38 (b) of this subsection.

39 (5) The department may, at any time, waive or reduce a civil  
40 penalty assessed under this section if the director of the department

1 determines that the employer has taken corrective action to resolve  
2 the violation.

3 (6) The department shall deposit all civil penalties paid under  
4 this section in the supplemental pension fund established under RCW  
5 51.44.033.

6 NEW SECTION. **Sec. 8.** LABOR AND INDUSTRIES—ADMINISTRATIVE  
7 CITATION APPEALS. (1) A person, firm, or corporation aggrieved by a  
8 citation and notice of assessment by the department under this  
9 chapter may appeal the citation and notice of assessment to the  
10 director of the department by filing a notice of appeal with the  
11 director within 30 days of the department's issuance of the citation  
12 and notice of assessment. A citation and notice of assessment not  
13 appealed within 30 days is final and binding, and not subject to  
14 further appeal.

15 (2) A notice of appeal filed with the director of the department  
16 under this section must state the effectiveness of the citation and  
17 notice of assessment pending final review of the appeal by the  
18 director as provided for in chapter 34.05 RCW.

19 (3) Upon receipt of a notice of appeal, the director of the  
20 department must assign the hearing to an administrative law judge of  
21 the office of administrative hearings to conduct the hearing and  
22 issue an initial order. The hearing and review procedures must be  
23 conducted in accordance with chapter 34.05 RCW, and the standard of  
24 review by the administrative law judge of an appealed citation and  
25 notice of assessment must be de novo. Any party who seeks to  
26 challenge an initial order must file a petition for administrative  
27 review with the director within 30 days after service of the initial  
28 order. The director must conduct administrative review in accordance  
29 with chapter 34.05 RCW.

30 (4) The director of the department must issue all final orders  
31 after appeal of the initial order. The final order of the director is  
32 subject to judicial review in accordance with chapter 34.05 RCW.

33 (5) Orders that are not appealed within the time period specified  
34 in this section and chapter 34.05 RCW are final and binding, and not  
35 subject to further appeal.

36 (6) An employer who fails to allow adequate inspection of records  
37 in an investigation by the department under this section within a  
38 reasonable time period may not use such records in any appeal under

1 this section to challenge the correctness of any determination by the  
2 department of the penalty assessed.

3 NEW SECTION. **Sec. 9.** LABOR AND INDUSTRIES—ENFORCEMENT OF  
4 AMOUNTS DUE. (1) Employers may not impermissibly withhold any amounts  
5 due to the employee related to the employer's obligations under  
6 section 3 of this act. If any employee files a complaint with the  
7 department alleging that the employer impermissibly withheld any  
8 amounts due to the employee related to the employer's obligations  
9 under section 3 of this act, the department shall investigate and  
10 otherwise enforce the complaint as an alleged violation of a wage  
11 payment requirement, as defined in RCW 49.48.082.

12 (2) During an investigation, if the department discovers  
13 information suggesting additional violations of impermissibly  
14 withheld amounts due to the employees related to the employer's  
15 obligations under section 3 of this act, the department may  
16 investigate and take appropriate enforcement action without any  
17 additional complaint. The department may also initiate an  
18 investigation on behalf of one or more employees for any such  
19 violation when the director otherwise has reason to believe that a  
20 violation has occurred or will occur.

21 (3) The department may conduct a consolidated investigation for  
22 any alleged withheld amounts due to the employees related to the  
23 employer's obligations under section 3 of this act when there are  
24 common questions of law or fact involving the employees. If the  
25 department consolidates such matters into a single investigation, it  
26 shall provide notice to the employer.

27 (4) The department may, for the purposes of enforcing this  
28 section, issue subpoenas to compel the attendance of witnesses or  
29 parties and the production of documents, administer oaths and examine  
30 witnesses under oath, take depositions, and seek affidavits or other  
31 verifications. The department may require the employer perform a  
32 self-audit of any records. The results or conclusions of the self-  
33 audit must be provided to the department within a reasonable time.  
34 The department must specify the timelines in the self-audit request.  
35 The records examined by the employer in order to perform the self-  
36 audit must be made available to the department upon request.

37 (5) Any citation or determination of compliance issued under this  
38 section is subject to RCW 49.48.083, 49.48.084, 49.48.085, and  
39 49.48.086.



1        NEW SECTION.    **Sec. 10.**    PRIVATE AND CONFIDENTIAL INFORMATION. (1)

2    Any information or records concerning an individual or employer  
3    obtained by the department of financial institutions or the governing  
4    board to administer this chapter are private and confidential, except  
5    as otherwise provided in this section.

6        (a) If information provided to the department of financial  
7    institutions or the governing board by a governmental agency is held  
8    private and confidential by state or federal law, the department of  
9    financial institutions and the governing board may not release such  
10   information, unless otherwise provided in this section.

11       (b) Information provided to the department of financial  
12   institutions or the governing board by a governmental entity  
13   conditioned upon privacy and confidentiality under a provision of law  
14   is to be held private and confidential according to the agreement  
15   between the department of financial institutions or the governing  
16   board and the other governmental agency, unless otherwise provided in  
17   this title.

18       (2) Persons requesting disclosure of information held by the  
19   department of financial institutions or the governing board under  
20   this section must request such disclosure from the governmental  
21   agency that provided the information to the department of financial  
22   institutions or the governing board, rather than from the department  
23   of financial institutions or the governing board.

24       (3) If the governing board creates or enters into, on behalf of  
25   the program, a consortium, alliance, joint venture, partnership,  
26   compact, or contract with another state or states or their programs  
27   or boards, the laws of the state that is most protective of  
28   individual and employer confidentiality governs.

29       (4) The governing board has the authority to adopt, amend, or  
30   rescind rules interpreting and implementing this chapter.

31       (5)(a) An individual must have access to all records and  
32   information concerning that individual held by the department of  
33   financial institutions or the governing board.

34       (b) An employer must have access to its own records relating to  
35   their compliance with the program and any audit conducted or penalty  
36   assessed under this chapter.

37       (c) The department of financial institutions or the governing  
38   board may disclose information and records deemed confidential under  
39   this chapter to a third party acting on behalf of an individual or  
40   employer that would otherwise be eligible to receive records under

1 this section when the department of financial institutions or the  
2 governing board receives a signed release from the individual or  
3 employer. The release must include a statement:

4 (i) Specifically identifying the information that is to be  
5 disclosed;

6 (ii) The acknowledgment that state government files will be  
7 assessed to obtain that information;

8 (iii) The specific purpose for which the information is sought  
9 and a statement that information obtained under the release will only  
10 be used for that purpose; and

11 (iv) Indicating all parties who will receive the information  
12 disclosed.

13 (d) The department of financial institutions or the governing  
14 board may disclose information or records deemed private and  
15 confidential under this chapter to any private person or  
16 organization, including the trustee, and, by extension, the agents of  
17 any private person or organization, when the disclosure is necessary  
18 to permit private contracting parties to assist in the operation,  
19 management, and implementation of the program. The private person or  
20 organization may only use the information or records solely for the  
21 purpose for which the information was disclosed and are bound by the  
22 same rules of privacy and confidentiality as the department of  
23 financial institutions and the governing board.

24 (6) (a) A decision under this chapter by the department of  
25 financial institutions, the department, the governing board, or the  
26 appeals tribunal may not be deemed private and confidential under  
27 this section, unless the decision is based on information obtained in  
28 a closed hearing.

29 (b) Information or records deemed private and confidential under  
30 this section must be available to parties to judicial or formal  
31 administrative proceedings only upon a written finding by the  
32 presiding officer that the need for the information or records in the  
33 proceeding outweighs any reasons for the privacy and confidentiality  
34 of the information on record.

35 (7) (a) All private persons, governmental agencies, and  
36 organizations authorized to receive information from the department  
37 of financial institutions or the governing board under this chapter  
38 have an affirmative duty to prevent unauthorized disclosure of  
39 confidential information and are prohibited from disclosing  
40 confidential information unless expressly permitted by this section.

1 (b) If misuse of an unauthorized disclosure of confidential  
2 records or information occurs, all parties who are aware of the  
3 violation must inform the department of financial institutions  
4 immediately and must take all reasonable available actions to rectify  
5 the disclosure to the department of financial institutions'  
6 standards.

7 (c) The misuse or unauthorized release of records or information  
8 deemed private and confidential under this chapter by any private  
9 person, governmental agency, or organization will subject the person,  
10 governmental agency, or organization to a civil penalty up to \$20,000  
11 in the first year of the program. Beginning the December of the  
12 second year of the program and each December thereafter, the  
13 department of financial institutions must adjust the maximum civil  
14 penalty amount by multiplying the current maximum civil penalty by  
15 one plus the percentage by which the most current consumer price  
16 index available on December 1st of the current year exceeds the  
17 consumer price index for the prior 12-month period, and rounding the  
18 result to the nearest \$1,000. If an adjustment under this subsection  
19 (7)(c) would reduce the maximum civil penalty, the department of  
20 financial institutions must not adjust the maximum civil penalty for  
21 use in the following year. Other applicable sanctions under state and  
22 federal law also apply.

23 (d) Suit to enforce this section must be brought by the attorney  
24 general and the amount of any penalties collected must be paid into  
25 the administrative account created in section 11 of this act. The  
26 attorney general may recover reasonable attorneys' fees for any  
27 action brought to enforce this section.

28 (8) This section does not contain a rule of evidence.

29 NEW SECTION. **Sec. 11.** WASHINGTON SAVES ADMINISTRATIVE TREASURY  
30 TRUST ACCOUNT. (1) The Washington saves administrative treasury trust  
31 account is created in the custody of the state treasurer.

32 (2) Expenditures from the account may be used only for the  
33 purposes of administrative and operating expenses of the program  
34 established under this chapter.

35 (3) Only the director of the department of financial institutions  
36 or the director's designee may authorize expenditures from the  
37 account. The account is exempt from appropriation and allotment  
38 provisions under chapter 43.88 RCW.

1 (4) The account may receive grants, gifts, or other moneys  
2 appropriated for administrative purposes from the state and the  
3 federal government.

4 (5) Any interest incurred by the account will be retained within  
5 the account.

6 NEW SECTION. **Sec. 12.** INVESTMENT ACCOUNT. (1) The Washington  
7 saves investment account is established as a trust, with the  
8 governing board created under this chapter as its trustee.

9 (2) (a) Moneys in the account consist of moneys received from  
10 individual participants and participating employers pursuant to  
11 automatic payroll deductions and contributions to savings made under  
12 this chapter. The governing board shall determine how the account  
13 operates, provided that the account is operated so that the  
14 individual accounts established under the program meet the  
15 requirements for IRAs under the internal revenue code.

16 (b) The assets of the account are not state money, common cash,  
17 or revenue to the state. Amounts in the account may not be commingled  
18 with state funds and the state has no claim to or against, or  
19 interest in, such funds.

20 (3) Disbursements from the account are exempt from appropriations  
21 and the allotment provisions of chapter 43.88 RCW. An appropriation  
22 is not required for expenditures.

23 (4) Only the governing board or the governing board's designee  
24 may authorize expenditures from the account.

25 **PART II**

26 **RETIREMENT MARKETPLACE**

27 NEW SECTION. **Sec. 13.** RCW 43.330.730 (Finding—2015 c 296) is  
28 decodified.

29 **Sec. 14.** RCW 43.330.732 and 2015 c 296 s 2 are each amended to  
30 read as follows:

31 The definitions in this section apply throughout this subchapter  
32 unless the context clearly requires otherwise.

33 (1) "Approved plans" means retirement plans offered by private  
34 sector financial services firms that meet the requirements of this  
35 chapter to participate in the marketplace.

1 (2) "Balanced fund" means a mutual fund that has an investment  
2 mandate to balance its portfolio holdings. The fund generally  
3 includes a mix of stocks and bonds in varying proportions according  
4 to the fund's investment outlook.

5 (3) "Eligible employer" means a self-employed individual, sole  
6 proprietor, or an employer with ~~((fewer than))~~ at least one  
7 ~~((hundred))~~ qualified employee~~((s))~~ at the time of enrollment.

8 (4) "Enrollee" means any employee who is voluntarily enrolled in  
9 an approved plan offered by an eligible employer through the  
10 Washington small business retirement marketplace.

11 ~~((5))~~ ~~((("myRA" means the myRA retirement program administered by  
12 the United States department of the treasury that is available to all  
13 employers and employees with no fees or no minimum contribution  
14 requirements. A myRA is a Roth IRA option and investments in these  
15 accounts are backed by the United States department of the treasury.~~

16 ~~((6))~~ "Participating employer" means any eligible employer with  
17 employees enrolled in an approved plan offered through the Washington  
18 small business retirement marketplace who chooses to participate in  
19 the marketplace and offers approved plans to employees for voluntary  
20 enrollment.

21 ~~((7))~~ (6) "Private sector financial services firms" or  
22 "financial services firms" mean persons or entities licensed or  
23 holding a certificate of authority and in good standing by either the  
24 department of financial institutions or the office of the insurance  
25 commissioner and meeting all federal laws and regulations to offer  
26 retirement plans.

27 ~~((8))~~ (7) "Qualified employee" means those workers who are  
28 defined by the federal internal revenue service to be eligible to  
29 participate in a specific qualified plan.

30 ~~((9))~~ (8) "Target date or other similar fund" means a hybrid  
31 mutual fund that automatically resets the asset mix of stocks, bonds,  
32 and cash equivalents in its portfolio according to a selected time  
33 frame that is appropriate for a particular investor. A target date is  
34 structured to address a projected retirement date.

35 ~~((10))~~ (9) "Washington small business retirement marketplace"  
36 or "marketplace" means the retirement savings program created to  
37 connect eligible employers and their employees with approved plans to  
38 increase retirement savings.

1       **Sec. 15.** RCW 43.330.735 and 2017 c 69 s 1 are each amended to  
2 read as follows:

3       (1) The Washington small business retirement marketplace is  
4 created.

5       (2) Prior to connecting any eligible employer with an approved  
6 plan in the marketplace, the director shall design a plan for the  
7 operation of the marketplace.

8       (3) The director shall consult with the Washington state  
9 department of retirement systems, the Washington state investment  
10 board, and the department of financial institutions in designing and  
11 managing the marketplace.

12       (4) The director shall approve for participation in the  
13 marketplace all private sector financial services firms (~~that meet~~  
14 ~~the requirements of~~), as defined in RCW 43.330.732 (~~(+7)~~).

15       (5) A range of investment options must be provided to meet the  
16 needs of investors with various levels of risk tolerance and various  
17 ages. The director must approve a diverse array of private retirement  
18 plan options that are available to employers on a voluntary basis,  
19 including but not limited to life insurance plans that are designed  
20 for retirement purposes, and plans for eligible employer  
21 participation such as (~~(a) A~~) a SIMPLE IRA-type plan that provides  
22 for employer contributions to participating enrollee accounts (~~(; and~~  
23 ~~(b) a payroll deduction individual retirement account type plan or~~  
24 ~~workplace-based individual retirement accounts open to all workers in~~  
25 ~~which the employer does not contribute to the employees' account~~).

26       (6) (a) Prior to approving a plan to be offered on the  
27 marketplace, the department must receive verification from the  
28 department of financial institutions or the office of the insurance  
29 commissioner:

30       (i) That the private sector financial services firm offering the  
31 plan meets the (~~requirements of~~) definition in RCW  
32 43.330.732 (~~(+7)~~); and

33       (ii) That the plan meets the requirements of this section  
34 excluding subsection (9) of this section which is subject to federal  
35 laws and regulations.

36       (b) If the plan includes either life insurance or annuity  
37 products, or both, the office of the insurance commissioner may  
38 request that the department of financial institutions conduct the  
39 plan review as provided in (a)(ii) of this subsection prior to  
40 submitting its verification to the department.

1 (c) The director may remove approved plans that no longer meet  
2 the requirements of this chapter.

3 (7) The financial services firms participating in the marketplace  
4 must offer a minimum of two product options: (a) A target date or  
5 other similar fund, with asset allocations and maturities designed to  
6 coincide with the expected date of retirement and (b) a balanced  
7 fund. (~~The marketplace must offer myRA.~~)

8 (8) In order for the marketplace to operate, there must be at  
9 least two approved plans on the marketplace; however, nothing in this  
10 subsection shall be construed to limit the number of private sector  
11 financial services firms with approved plans from participating in  
12 the marketplace.

13 (9) Approved plans must meet federal law or regulation for  
14 internal revenue service approved retirement plans.

15 (10) The approved plans must include the option for enrollees to  
16 roll pretax contributions into a different individual retirement  
17 account or another eligible retirement plan after ceasing  
18 participation in a plan approved by the Washington small business  
19 retirement marketplace.

20 (11) Financial services firms selected by the department to offer  
21 approved plans on the marketplace may not charge the participating  
22 employer an administrative fee and may not charge enrollees more than  
23 one hundred basis points in total annual fees and must provide  
24 information about their product's historical investment performance.  
25 Financial services firms may charge enrollees a de minimis fee for  
26 new and/or low balance accounts in amounts negotiated and agreed upon  
27 by the department and financial services firms. The director shall  
28 limit plans to those with total fees the director considers  
29 reasonable based on all the facts and circumstances.

30 (12) Participation in the Washington small business retirement  
31 marketplace is voluntary for both eligible employers and qualified  
32 employees.

33 (13) Enrollment in any approved plan offered in the marketplace  
34 is not an entitlement.

35 **PART III**

36 **WASHINGTON SAVES - ADMINISTRATIVE ACCOUNT - RETAIN OWN INTEREST**

1       **Sec. 16.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023  
2 c 380 s 6, 2023 c 213 s 9, 2023 c 170 s 19, and 2023 c 12 s 2 are  
3 each reenacted and amended to read as follows:

4       (1) Money in the treasurer's trust fund may be deposited,  
5 invested, and reinvested by the state treasurer in accordance with  
6 RCW 43.84.080 in the same manner and to the same extent as if the  
7 money were in the state treasury, and may be commingled with moneys  
8 in the state treasury for cash management and cash balance purposes.

9       (2) All income received from investment of the treasurer's trust  
10 fund must be set aside in an account in the treasury trust fund to be  
11 known as the investment income account.

12       (3) The investment income account may be utilized for the payment  
13 of purchased banking services on behalf of treasurer's trust funds  
14 including, but not limited to, depository, safekeeping, and  
15 disbursement functions for the state treasurer or affected state  
16 agencies. The investment income account is subject in all respects to  
17 chapter 43.88 RCW, but no appropriation is required for payments to  
18 financial institutions. Payments must occur prior to distribution of  
19 earnings set forth in subsection (4) of this section.

20       (4)(a) Monthly, the state treasurer must distribute the earnings  
21 credited to the investment income account to the state general fund  
22 except under (b), (c), and (d) of this subsection.

23       (b) The following accounts and funds must receive their  
24 proportionate share of earnings based upon each account's or fund's  
25 average daily balance for the period: The 24/7 sobriety account, the  
26 Washington promise scholarship account, the Gina Grant Bull memorial  
27 legislative page scholarship account, the Rosa Franklin legislative  
28 internship program scholarship account, the Washington advanced  
29 college tuition payment program account, the Washington college  
30 savings program account, the accessible communities account, the  
31 Washington achieving a better life experience program account, the  
32 Washington career and college pathways innovation challenge program  
33 account, the community and technical college innovation account, the  
34 agricultural local fund, the American Indian scholarship endowment  
35 fund, the behavioral health loan repayment program account, the Billy  
36 Frank Jr. national statuary hall collection fund, the foster care  
37 scholarship endowment fund, the foster care endowed scholarship trust  
38 fund, the contract harvesting revolving account, the Washington state  
39 combined fund drive account, the commemorative works account, the  
40 county 911 excise tax account, the county road administration board



1 emergency loan account, the toll collection account, the  
2 developmental disabilities endowment trust fund, the energy account,  
3 the energy facility site evaluation council account, the fair fund,  
4 the family and medical leave insurance account, the fish and wildlife  
5 federal lands revolving account, the natural resources federal lands  
6 revolving account, the food animal veterinarian conditional  
7 scholarship account, the forest health revolving account, the fruit  
8 and vegetable inspection account, the educator conditional  
9 scholarship account, the game farm alternative account, the GET ready  
10 for math and science scholarship account, the Washington global  
11 health technologies and product development account, the grain  
12 inspection revolving fund, the Washington history day account, the  
13 industrial insurance rainy day fund, the juvenile accountability  
14 incentive account, the law enforcement officers' and firefighters'  
15 plan 2 expense fund, the local tourism promotion account, the low-  
16 income home rehabilitation account, the medication for people living  
17 with HIV rebate revenue account, the homeowner recovery account, the  
18 multiagency permitting team account, the northeast Washington wolf-  
19 livestock management account, the pollution liability insurance  
20 program trust account, the produce railcar pool account, the public  
21 use general aviation airport loan revolving account, the regional  
22 transportation investment district account, the rural rehabilitation  
23 account, the Washington sexual assault kit account, the stadium and  
24 exhibition center account, the youth athletic facility account, the  
25 self-insurance revolving fund, the children's trust fund, the  
26 Washington horse racing commission Washington bred owners' bonus fund  
27 and breeder awards account, the Washington horse racing commission  
28 class C purse fund account, the individual development account  
29 program account, the Washington horse racing commission operating  
30 account, the life sciences discovery fund, the Washington state  
31 library-archives building account, the reduced cigarette ignition  
32 propensity account, the center for deaf and hard of hearing youth  
33 account, the school for the blind account, the Millersylvania park  
34 trust fund, the public employees' and retirees' insurance reserve  
35 fund, the school employees' benefits board insurance reserve fund,  
36 the public employees' and retirees' insurance account, the school  
37 employees' insurance account, the long-term services and supports  
38 trust account, the radiation perpetual maintenance fund, the Indian  
39 health improvement reinvestment account, the department of licensing  
40 tuition recovery trust fund, the student achievement council tuition

1 recovery trust fund, the tuition recovery trust fund, the industrial  
2 insurance premium refund account, the mobile home park relocation  
3 fund, the natural resources deposit fund, the Washington state health  
4 insurance pool account, the federal forest revolving account, the  
5 Washington saves administrative treasury trust account, and the  
6 library operations account.

7 (c) The following accounts and funds must receive 80 percent of  
8 their proportionate share of earnings based upon each account's or  
9 fund's average daily balance for the period: The advance right-of-way  
10 revolving fund, the advanced environmental mitigation revolving  
11 account, the federal narcotics asset forfeitures account, the high  
12 occupancy vehicle account, the local rail service assistance account,  
13 and the miscellaneous transportation programs account.

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

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

24 **Sec. 17.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023  
25 c 380 s 6, 2023 c 213 s 9, and 2023 c 12 s 2 are each reenacted and  
26 amended to read as follows:

27 (1) Money in the treasurer's trust fund may be deposited,  
28 invested, and reinvested by the state treasurer in accordance with  
29 RCW 43.84.080 in the same manner and to the same extent as if the  
30 money were in the state treasury, and may be commingled with moneys  
31 in the state treasury for cash management and cash balance purposes.

32 (2) All income received from investment of the treasurer's trust  
33 fund must be set aside in an account in the treasury trust fund to be  
34 known as the investment income account.

35 (3) The investment income account may be utilized for the payment  
36 of purchased banking services on behalf of treasurer's trust funds  
37 including, but not limited to, depository, safekeeping, and  
38 disbursement functions for the state treasurer or affected state  
39 agencies. The investment income account is subject in all respects to

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

4 (4)(a) Monthly, the state treasurer must distribute the earnings  
5 credited to the investment income account to the state general fund  
6 except under (b), (c), and (d) of this subsection.

7 (b) The following accounts and funds must receive their  
8 proportionate share of earnings based upon each account's or fund's  
9 average daily balance for the period: The 24/7 sobriety account, the  
10 Washington promise scholarship account, the Gina Grant Bull memorial  
11 legislative page scholarship account, the Rosa Franklin legislative  
12 internship program scholarship account, the Washington advanced  
13 college tuition payment program account, the Washington college  
14 savings program account, the accessible communities account, the  
15 Washington achieving a better life experience program account, the  
16 Washington career and college pathways innovation challenge program  
17 account, the community and technical college innovation account, the  
18 agricultural local fund, the American Indian scholarship endowment  
19 fund, the behavioral health loan repayment program account, the Billy  
20 Frank Jr. national statutory hall collection fund, the foster care  
21 scholarship endowment fund, the foster care endowed scholarship trust  
22 fund, the contract harvesting revolving account, the Washington state  
23 combined fund drive account, the commemorative works account, the  
24 county 911 excise tax account, the county road administration board  
25 emergency loan account, the toll collection account, the  
26 developmental disabilities endowment trust fund, the energy account,  
27 the energy facility site evaluation council account, the fair fund,  
28 the family and medical leave insurance account, the fish and wildlife  
29 federal lands revolving account, the natural resources federal lands  
30 revolving account, the food animal veterinarian conditional  
31 scholarship account, the forest health revolving account, the fruit  
32 and vegetable inspection account, the educator conditional  
33 scholarship account, the game farm alternative account, the GET ready  
34 for math and science scholarship account, the Washington global  
35 health technologies and product development account, the grain  
36 inspection revolving fund, the Washington history day account, the  
37 industrial insurance rainy day fund, the juvenile accountability  
38 incentive account, the law enforcement officers' and firefighters'  
39 plan 2 expense fund, the local tourism promotion account, the low-  
40 income home rehabilitation account, the medication for people living

1 with HIV rebate revenue account, the homeowner recovery account, the  
2 multiagency permitting team account, the northeast Washington wolf-  
3 livestock management account, the produce railcar pool account, the  
4 public use general aviation airport loan revolving account, the  
5 regional transportation investment district account, the rural  
6 rehabilitation account, the Washington sexual assault kit account,  
7 the stadium and exhibition center account, the youth athletic  
8 facility account, the self-insurance revolving fund, the children's  
9 trust fund, the Washington horse racing commission Washington bred  
10 owners' bonus fund and breeder awards account, the Washington horse  
11 racing commission class C purse fund account, the individual  
12 development account program account, the Washington horse racing  
13 commission operating account, the life sciences discovery fund, the  
14 Washington state library-archives building account, the reduced  
15 cigarette ignition propensity account, the center for deaf and hard  
16 of hearing youth account, the school for the blind account, the  
17 Millersylvania park trust fund, the public employees' and retirees'  
18 insurance reserve fund, the school employees' benefits board  
19 insurance reserve fund, the public employees' and retirees' insurance  
20 account, the school employees' insurance account, the long-term  
21 services and supports trust account, the radiation perpetual  
22 maintenance fund, the Indian health improvement reinvestment account,  
23 the department of licensing tuition recovery trust fund, the student  
24 achievement council tuition recovery trust fund, the tuition recovery  
25 trust fund, the industrial insurance premium refund account, the  
26 mobile home park relocation fund, the natural resources deposit fund,  
27 the Washington state health insurance pool account, the federal  
28 forest revolving account, the Washington saves administrative  
29 treasury trust account, and the library operations account.

30 (c) The following accounts and funds must receive 80 percent of  
31 their proportionate share of earnings based upon each account's or  
32 fund's average daily balance for the period: The advance right-of-way  
33 revolving fund, the advanced environmental mitigation revolving  
34 account, the federal narcotics asset forfeitures account, the high  
35 occupancy vehicle account, the local rail service assistance account,  
36 and the miscellaneous transportation programs account.

37 (d) Any state agency that has independent authority over accounts  
38 or funds not statutorily required to be held in the custody of the  
39 state treasurer that deposits funds into a fund or account in the  
40 custody of the state treasurer pursuant to an agreement with the

1 office of the state treasurer shall receive its proportionate share  
2 of earnings based upon each account's or fund's average daily balance  
3 for the period.

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

7 **PART IV**  
8 **MISCELLANEOUS**

9 NEW SECTION. **Sec. 18.** Section 16 of this act expires July 1,  
10 2030.

11 NEW SECTION. **Sec. 19.** (1) Section 16 of this act takes effect  
12 July 1, 2024.

13 (2) Section 17 of this act takes effect July 1, 2030.

14 NEW SECTION. **Sec. 20.** Sections 1 through 12 of this act  
15 constitute a new chapter in Title 19 RCW.

16 NEW SECTION. **Sec. 21.** If any part of this act is found to be in  
17 conflict with federal requirements that are a prescribed condition to  
18 the allocation of federal funds to the state or the eligibility of  
19 employers in this state for federal unemployment tax credits, the  
20 conflicting part of this act is inoperative solely to the extent of  
21 the conflict, and the finding or determination does not affect the  
22 operation of the remainder of this act. Rules adopted under this act  
23 must meet federal requirements that are a necessary condition to the  
24 receipt of federal funds by the state or the granting of federal  
25 unemployment tax credits to employers in this state."

26 Correct the title.

EFFECT: • Increases the membership of the governing board from 9  
to 15 members by adding four legislative members; a member of the  
securities industry; a member of the insurance industry; a member who  
is a certified financial planner; a member representing the interests  
of small, independent businesses; a member representing the interests  
of minority-owned and women-owned businesses; and a member of the  
Washington Asset Building Coalition, while removing three members  
with demonstrated financial, legal, or relevant program experience  
and a member of the financial industry.

- Modifies the chairmanship of the governing board by requiring the governing board to choose co-chairs from the legislative membership for the design stage of the program until July 1, 2027, and then requires the governing board to provide recommendations about who should be chair of the governing board once the program is operational after July 1, 2027.

- Changes the role of legislative members to an ex officio, advisory role after July 1, 2027, once the program is operational.

- Changes the entity responsible for staffing and providing administrative support to the Washington Saves program (program) from the Office of the State Treasurer to the Department of Financial Institutions.

- Requires the program to be designed in consultation with covered employers and covered employees to ensure that the businesses and workers intended to benefit from the program are provided ample opportunity to learn about and give input on the program design and timeline for implementation before the program is made publicly available.

- Requires the governing board to conduct an outreach and education initiative in which the governing board consults, educates, and receives feedback on the program design and implementation from covered employers and covered employees.

- Requires the outreach and education initiative to ensure that diverse employer and employee communities are consulted, that interpreters are provided, and that written documents and materials are translated, and requires the governing board to work with the various state commissions to develop culturally and linguistically responsive outreach and education plans.

- Delays the implementation date for the program from January 1, 2027, to July 1, 2027.

- Requires the governing board to submit a preliminary report to the Legislature that is due December 1, 2025, on the proposed timeline set forth under the bill and progress on outreach initiatives and program implementation.

- Requires the governing board to submit a final report on program design and implementation recommendations due December 1, 2026, that includes a comprehensive summary of outreach activities conducted by the governing board to receive feedback on program elements and implementation.

- Delays the standard, annual reporting requirement for program updates and information to begin December 1, 2028.

- Clarifies that the governing board is the entity responsible for developing program information and disclosures, and that covered employers are only responsible for distributing program information and disclosures to employees.

- Specifies that the governing board must design the Washington Saves program so that in addition to other elements, an employer that is not considered a covered employer has no reporting or registration obligation or requirement to take any action under the program other than to claim an exemption from coverage.

- Permits covered employers to automatically enroll covered employees, unless the employee opts out, in a qualified retirement plan offered by a trade association or chamber of commerce in lieu of the individual retirement account established by the Washington Saves program.

- Requires the governing board to evaluate options to assist covered employees and covered employers to identify private sector financial advisors, to the extent feasible and permitted by law, including a website established and maintained by the governing board.

- Clarifies that information, forms, and instructions furnished to employees include instructions on how to access funds.
- Specifies that the governing board must begin meeting four times annually beginning in 2025.
- Specifies that the program be designed and operated to maximize the availability of funds to individual participants with a goal of having funds available within three business days following the remittance of payroll deductions by covered employers, if feasible.
- Requires the governing board to include culturally relevant and responsive approaches centered in cultural humility with outreach to employers that are considered socially vulnerable, historically marginalized, or face cultural or language barriers to participate in workplace retirement savings programs when developing a strategy to educate and inform covered employers about their administrative duties under the program.
- Specifies that outreach, marketing, and educational initiatives regarding the Washington Saves program must promote cultural humility and engage culturally relevant and responsive approaches while including consideration for socially vulnerable communities historically excluded from, marginalized by, or face barriers to participation in workplace retirement savings programs.
- Requires the governing board to assure any administrative contract services for the program provide culturally responsive and relevant supports rooted in cultural humility while including special considerations for socially vulnerable communities historically, or are known to often be, excluded from, marginalized by, or face barriers to participation in workplace retirement savings programs.

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