

ESSB 6069 - H AMD 1262

By Representative Santos

ADOPTED AS AMENDED 03/06/2024

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) "Administrative agency" means the state agency or office that
26 will provide administrative support to the governing board, beginning
27 no later than July 1, 2027.

28 (3) "Complainant" means a covered employee, or that employee's
29 designee who has written or legal authority to act on behalf of the
30 employee, who files a complaint alleging an employer administrative

1 violation of section 3 of this act who learned of the alleged
2 violation by way of their employment with a covered employer.

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

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

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

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

11 (b) Maintains a physical presence;

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

14 (d) Employs, and at any point during the immediately preceding
15 calendar year employed, employees working a combined minimum of
16 10,400 hours.

17 (7) "Department" means the department of labor and industries.

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

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

26 (10) "Employment" has the same meaning as in RCW 50.04.100.

27 (11) "Governing board" means the board created in section 4 of
28 this act.

29 (12) "Individual account" means an IRA established by or for an
30 individual participant and owned by the individual participant
31 pursuant to this chapter.

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

35 (14) "Internal revenue code" means the federal internal revenue
36 code of 1986, as amended, or any successor law.

37 (15) "IRA" means a traditional or Roth individual retirement
38 account or individual retirement annuity described in section 408(a),
39 408(b), or 408A of the internal revenue code.

1 (16) "Payroll deduction IRA agreement" means an arrangement by
2 which a participating employer makes payroll deductions authorized by
3 this chapter and remits amounts deducted as contributions to IRAs on
4 behalf of individual participants.

5 (17) "Program" means the Washington saves program established
6 under this chapter.

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

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

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

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

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

22 (c) Facilitates automatic enrollment for covered employees and
23 allows for covered employees to opt out of the plan at any time;

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

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

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

1 (b) Contributions must be invested in the default investment
2 option unless the individual participant affirmatively elects to
3 invest some or all balances in one or more approved investment
4 options offered by the program. An individual participant must have
5 the opportunity to change investments for either future contributions
6 or existing balances, or both, subject to requirements defined by
7 rule by the governing board.

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

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

16 (e) An individual participant's or former individual
17 participant's ability to receive distributions of contributions and
18 earnings is subject to applicable law.

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

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

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

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

31 (iii) Timely remit participant contributions; and

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

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

37 (c) Employers are not fiduciaries with respect to, or are liable
38 for, the program, related information, educational materials, or
39 forms or disclosures approved by the governing board, or the
40 selection or performance of vendors selected by the governing board.

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

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

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

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

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

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

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

33 (b) The speaker of the house of representatives shall appoint one
34 member from each of the two largest caucuses of the house of
35 representatives;

36 (c) The state treasurer;

37 (d) The director of the department or the director's designee;

38 and

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

3 (i) One member representing the securities industry;

4 (ii) One member representing the insurance industry;

5 (iii) One member who is a certified financial planner recommended
6 by the national association of insurance and financial advisors of
7 Washington;

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

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

12 (vi) One member representing the Washington asset building
13 coalition;

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

15 (viii) One member representing covered employees; and

16 (ix) One member representing covered employers.

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

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

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

31 (5) The governing board may appoint work groups to support the
32 design and administration of the program. Work groups do not serve a
33 voting function on the governing board and may include individuals
34 who are not members of the governing board. Any work group
35 established by the governing board is a class one group under RCW
36 43.03.220. Work group members receive compensation accordingly.

37 (6) Other state agencies must provide appropriate and reasonable
38 assistance to the program as needed, including gathering data and
39 information, in order for the governing board to carry out the
40 purposes of this chapter. The governing board may reimburse the other

1 state agencies from the administrative account for reasonable
2 expenses incurred in providing appropriate and reasonable assistance.

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

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

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

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

15 (9) Staff support for the governing board shall be provided by:

16 (a) The department of financial institutions, until no later than
17 June 30, 2027; and

18 (b) The administrative agency, beginning no later than July 1,
19 2027.

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

31 (11) Regarding investments, the governing board:

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

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

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

1 (ii) The diverse needs of individual participants;

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

4 (iv) The extensive investment choices available to participants
5 outside of the program.

6 (12) Regarding the design of the program, the governing board
7 must:

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

15 (b) Design and operate the program to:

16 (i) Minimize costs to individual participants, covered employers,
17 and the state;

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

20 (iii) Facilitate and encourage employee participation in the
21 program and participant saving;

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

24 (v) Provide a simple process for covered employees to opt out of
25 the program at any time or modify their payroll deductions;

26 (vi) Maximize portability of individual accounts;

27 (vii) Maximize financial security in retirement; and

28 (viii) Maximize the availability of funds to individual
29 participants with a goal of having funds available within three
30 business days following the remittance of payroll deductions by
31 covered employers, if feasible;

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

36 (d) Consult with the department of financial institutions, the
37 department, the office of minority and women's business enterprises,
38 and the office of the secretary of state to create a strategy to
39 educate and inform covered employers about employer administrative
40 duties under this chapter, including the development of culturally

1 relevant and responsive approaches centered in cultural humility with
2 outreach to employers that are considered socially vulnerable,
3 historically marginalized, or face cultural or language barriers to
4 participate in workplace retirement savings programs;

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

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

10 (a) Employee registration and enrollment process;

11 (b) Employee alternative election procedure including, but not
12 limited to, the method in which a participating individual may opt
13 out of participation at any time, change their contribution rate, opt
14 out of auto-escalation, make nonpayroll contributions, and make
15 withdrawals;

16 (c) Contribution limits, the initial automatic default
17 contribution rate, and the automatic default escalation rate;

18 (d) Outreach, marketing, and educational initiatives or
19 publication of online resources, encouragement of participation,
20 retirement savings, and sound investment practices. Outreach,
21 marketing, and educational initiatives must promote cultural humility
22 and engage culturally relevant and responsive approaches while
23 including special consideration for socially vulnerable communities
24 historically, or are known to often be, excluded from, marginalized
25 by, or face barriers to participation in workplace retirement savings
26 programs; and

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

30 (14) The governing board shall develop:

31 (a) Information regarding the program;

32 (b) The following disclosures:

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

35 (ii) Instructions about how to obtain additional information
36 about the program;

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

1 (iv) A statement that covered employees seeking financial advice
2 should contact their own financial advisers, that covered employers
3 are not in a position to provide financial advice, and that covered
4 employers are not liable for decisions covered employees make under
5 this chapter;

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

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

10 (vii) A statement that the program is voluntary for covered
11 employees, and a covered employee may opt out of the program at any
12 time; and

13 (viii) A statement that neither a covered employer nor the state
14 will monitor or has an obligation to monitor the covered employee's
15 eligibility under the internal revenue code to make contributions to
16 an IRA or to monitor whether the covered employee's contributions to
17 the IRA established for the covered employee exceed the maximum
18 permissible IRA contribution; that it is the covered employee's
19 responsibility to monitor such matters; and that the state, the
20 program, and the covered employer have no liability with respect to
21 any failure of the covered employee to be eligible to make IRA
22 contributions or any contribution in excess of the maximum IRA
23 contribution;

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

27 (i) Making contributions to the covered employee's IRA
28 established under the program, including a description of the
29 automatic enrollment rate, the automatic escalation rate and
30 frequency, the right to elect to make no contribution or to change
31 the contribution rate under the program, and how to opt out of the
32 program at any time;

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

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

39 (15) The governing board must evaluate options to assist covered
40 employees and employers to identify private sector providers of

1 financial advice, to the extent feasible and unless prohibited by
2 state or federal laws. The governing board must consider options
3 including, but not limited to, a website established and maintained
4 by the governing board.

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

9 (17) The governing board must collect administrative fees to
10 defray the costs of administering the program. If the governing board
11 creates or enters into a joint program agreement, as provided in
12 subsection (16) of this section, the rate of the administrative fee
13 for covered employees may not exceed the rate charged to covered
14 employees of another state participating in the same program.

15 (18) The governing board, its members, and the administrative
16 agency are not individually or collectively insurers of the funds or
17 assets of the investment fund or individual accounts. Neither the
18 governing board nor the administrative agency is liable for the
19 action or inaction of the other.

20 (19) The governing board, its members, and the administrative
21 agency are not individually or collectively liable to the state, to
22 the fund, or to any other person as a result of their activities as
23 members or staff, whether ministerial or discretionary, except for
24 willful dishonesty or intentional violation of law. The governing
25 board, its members, and the administrative agency may purchase
26 liability insurance.

27 (20) The governing board shall submit progress reports to the
28 appropriate committees of the legislature, in accordance with RCW
29 43.01.036.

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

34 (b) The final report on program design and implementation
35 recommendations is due December 1, 2026, and must include the
36 following:

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

40 (A) Types of outreach conducted;

1 (B) Specific calendar dates and time frames in which outreach
2 occurred;

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

4 (D) Subject matters discussed regarding the program and proposed
5 program structure;

6 (E) The types of retirement account programs covered employers
7 and covered employees preferred;

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

10 (ii) Recommendations on whether the legislature should make
11 changes to the program's structure or whether any statutory changes
12 need to occur; and

13 (iii) Recommendations regarding the governing board structure,
14 including who should chair the governing board and what entity should
15 serve as the administrative agency that provides staff support to the
16 governing board once the program is established and operational. The
17 governing board shall consider a potential new agency, an existing
18 state agency, or the office of a stand-alone statewide elected
19 official for the administrative agency.

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

22 (i) Participation;

23 (ii) Account performance;

24 (iii) Board decisions; and

25 (iv) Any recommendations to the legislature regarding the
26 program.

27 (21) The governing board may consult with the state investment
28 board and the department of financial institutions regarding program
29 design and implementation.

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

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

37 (1)(a) After consultation with the governing board, the investment
38 manager may invest funds associated with the program. The investment
39 manager, after consultation with the governing board regarding any

1 recommendations, must provide a set of options for eligible
2 individuals to choose from for self-directed investment. Any self-
3 directed investment options must comply with the internal revenue
4 code.

5 (b) All investment and operating costs of the investment manager
6 associated with making self-directed investments must be paid by
7 participants and recovered under procedures agreed to by the
8 governing board and the investment manager. All other expenses caused
9 by self-directed investments must be paid by the participant in
10 accordance with the rules established by the governing board. With
11 the exception of these expenses, all earnings from self-directed
12 investments accrue to the individual accounts.

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

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

19 (b) In accordance with the investment policy established by the
20 governing board.

21 (3) The authority to establish all policies relating to
22 implementation, design, and management of the program resides with
23 the governing board.

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

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

30 (a) Educate participating employers of their administrative
31 duties under this chapter;

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

36 (c) In the case of impermissible withholding of amounts due to
37 employees, investigate and enforce the complaint as an alleged
38 violation of a wage payment requirement, as defined in RCW 49.48.082;
39 and

1 (d) Facilitate a process in which employers may appeal
2 complaints.

3 (2) Collections of unpaid citations assessing civil penalties by
4 the department under this chapter must be made pursuant to RCW
5 49.48.086.

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

9 (2) If a complainant files a complaint with the department
10 alleging any administrative violation, the department shall
11 investigate the complaint and:

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

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

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

22 (4) (a) If the department finds an employer administrative
23 violation, the department must first provide an educational letter
24 outlining the violations and provide 90 days for the employer to
25 remedy the violations. The employer may ask for an extension for good
26 cause. The department may extend the period by providing written
27 notice to the employee and the employer, specifying the duration of
28 the extension. If the employer fails to remedy the violation within
29 90 days, the department may issue a citation and notice of assessment
30 with a civil penalty.

31 (b) Except as provided otherwise in this chapter, the maximum
32 penalty for a first-time willful violation is \$100 and \$250 for a
33 second willful violation. For the purposes of this section, "willful"
34 means a knowing and intentional action that is neither accidental nor
35 the result of a bona fide dispute. For each subsequent willful
36 violation, the employer is subject to a maximum penalty amount of
37 \$500 for each violation.

38 (c) The department may not assess a civil penalty if the employer
39 reasonably relied on: (i) A rule related to any of the requirements

1 of this chapter; (ii) a written order, ruling, approval, opinion,
2 advice, determination, or interpretation of the director of the
3 department; or (iii) an interpretive or administrative policy issued
4 by the department and filed pursuant to chapter 34.05 RCW. In
5 accordance with the department's retention schedule obligations under
6 chapter 40.14 RCW, the department shall maintain a complete and
7 accurate record of all written orders, rulings, approvals, opinions,
8 advice, determinations, and interpretations for purposes of
9 determining whether an employer is immune from civil penalties under
10 (b) of this subsection.

11 (5) The department may, at any time, waive or reduce a civil
12 penalty assessed under this section if the director of the department
13 determines that the employer has taken corrective action to resolve
14 the violation.

15 (6) The department shall deposit all civil penalties paid under
16 this section in the supplemental pension fund established under RCW
17 51.44.033.

18 NEW SECTION. **Sec. 8.** LABOR AND INDUSTRIES—ADMINISTRATIVE
19 CITATION APPEALS. (1) A person, firm, or corporation aggrieved by a
20 citation and notice of assessment by the department under this
21 chapter may appeal the citation and notice of assessment to the
22 director of the department by filing a notice of appeal with the
23 director within 30 days of the department's issuance of the citation
24 and notice of assessment. A citation and notice of assessment not
25 appealed within 30 days is final and binding, and not subject to
26 further appeal.

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

31 (3) Upon receipt of a notice of appeal, the director of the
32 department must assign the hearing to an administrative law judge of
33 the office of administrative hearings to conduct the hearing and
34 issue an initial order. The hearing and review procedures must be
35 conducted in accordance with chapter 34.05 RCW, and the standard of
36 review by the administrative law judge of an appealed citation and
37 notice of assessment must be de novo. Any party who seeks to
38 challenge an initial order must file a petition for administrative
39 review with the director within 30 days after service of the initial

1 order. The director must conduct administrative review in accordance
2 with chapter 34.05 RCW.

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

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

9 (6) An employer who fails to allow adequate inspection of records
10 in an investigation by the department under this section within a
11 reasonable time period may not use such records in any appeal under
12 this section to challenge the correctness of any determination by the
13 department of the penalty assessed.

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

23 (2) During an investigation, if the department discovers
24 information suggesting additional violations of impermissibly
25 withheld amounts due to the employees related to the employer's
26 obligations under section 3 of this act, the department may
27 investigate and take appropriate enforcement action without any
28 additional complaint. The department may also initiate an
29 investigation on behalf of one or more employees for any such
30 violation when the director otherwise has reason to believe that a
31 violation has occurred or will occur.

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

38 (4) The department may, for the purposes of enforcing this
39 section, issue subpoenas to compel the attendance of witnesses or

1 parties and the production of documents, administer oaths and examine
2 witnesses under oath, take depositions, and seek affidavits or other
3 verifications. The department may require the employer perform a
4 self-audit of any records. The results or conclusions of the self-
5 audit must be provided to the department within a reasonable time.
6 The department must specify the timelines in the self-audit request.
7 The records examined by the employer in order to perform the self-
8 audit must be made available to the department upon request.

9 (5) Any citation or determination of compliance issued under this
10 section is subject to RCW 49.48.083, 49.48.084, 49.48.085, and
11 49.48.086.

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

13 Any information or records concerning an individual or employer
14 obtained by the administrative agency or the governing board to
15 administer this chapter are private and confidential, except as
16 otherwise provided in this section.

17 (a) If information provided to the administrative agency or the
18 governing board by a governmental agency is held private and
19 confidential by state or federal law, the administrative agency and
20 the governing board may not release such information, unless
21 otherwise provided in this section.

22 (b) Information provided to the administrative agency or the
23 governing board by a governmental entity conditioned upon privacy and
24 confidentiality under a provision of law is to be held private and
25 confidential according to the agreement between the administrative
26 agency or the governing board and the other governmental agency,
27 unless otherwise provided in this title.

28 (2) Persons requesting disclosure of information held by the
29 administrative agency or the governing board under this section must
30 request such disclosure from the governmental agency that provided
31 the information to the administrative agency or the governing board,
32 rather than from the administrative agency or the governing board.

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

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

1 (5) (a) An individual must have access to all records and
2 information concerning that individual held by the administrative
3 agency or the governing board.

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

7 (c) The administrative agency or the governing board may disclose
8 information and records deemed confidential under this chapter to a
9 third party acting on behalf of an individual or employer that would
10 otherwise be eligible to receive records under this section when the
11 administrative agency or the governing board receives a signed
12 release from the individual or employer. The release must include a
13 statement:

14 (i) Specifically identifying the information that is to be
15 disclosed;

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

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

21 (iv) Indicating all parties who will receive the information
22 disclosed.

23 (d) The administrative agency or the governing board may disclose
24 information or records deemed private and confidential under this
25 chapter to any private person or organization, including the trustee,
26 and, by extension, the agents of any private person or organization,
27 when the disclosure is necessary to permit private contracting
28 parties to assist in the operation, management, and implementation of
29 the program. The private person or organization may only use the
30 information or records solely for the purpose for which the
31 information was disclosed and are bound by the same rules of privacy
32 and confidentiality as the administrative agency and the governing
33 board.

34 (6) (a) A decision under this chapter by the administrative
35 agency, the department, the governing board, or the appeals tribunal
36 may not be deemed private and confidential under this section, unless
37 the decision is based on information obtained in a closed hearing.

38 (b) Information or records deemed private and confidential under
39 this section must be available to parties to judicial or formal
40 administrative proceedings only upon a written finding by the

1 presiding officer that the need for the information or records in the
2 proceeding outweighs any reasons for the privacy and confidentiality
3 of the information on record.

4 (7) (a) All private persons, governmental agencies, and
5 organizations authorized to receive information from the
6 administrative agency or the governing board under this chapter have
7 an affirmative duty to prevent unauthorized disclosure of
8 confidential information and are prohibited from disclosing
9 confidential information unless expressly permitted by this section.

10 (b) If misuse of an unauthorized disclosure of confidential
11 records or information occurs, all parties who are aware of the
12 violation must inform the administrative agency immediately and must
13 take all reasonable available actions to rectify the disclosure to
14 the administrative agency standards.

15 (c) The misuse or unauthorized release of records or information
16 deemed private and confidential under this chapter by any private
17 person, governmental agency, or organization will subject the person,
18 governmental agency, or organization to a civil penalty of up to
19 \$20,000 in the first year of the program. Beginning in December of
20 the second year of the program and each December thereafter, the
21 administrative agency must adjust the maximum civil penalty amount by
22 multiplying the current maximum civil penalty by one plus the
23 percentage by which the most current consumer price index available
24 on December 1st of the current year exceeds the consumer price index
25 for the prior 12-month period, and rounding the result to the nearest
26 \$1,000. If an adjustment under this subsection (7) (c) would reduce
27 the maximum civil penalty, the administrative agency must not adjust
28 the maximum civil penalty for use in the following year. Other
29 applicable sanctions under state and federal law also apply.

30 (d) Suit to enforce this section must be brought by the attorney
31 general and the amount of any penalties collected must be paid into
32 the administrative account created in section 11 of this act. The
33 attorney general may recover reasonable attorneys' fees for any
34 action brought to enforce this section.

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

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

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

4 (3) Only the director of the administrative agency or the
5 director's designee may authorize expenditures from the account. The
6 account is exempt from appropriation and allotment provisions under
7 chapter 43.88 RCW.

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

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

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

16 (2) (a) Moneys in the account consist of moneys received from
17 individual participants and participating employers pursuant to
18 automatic payroll deductions and contributions to savings made under
19 this chapter. The governing board shall determine how the account
20 operates, provided that the account is operated so that the
21 individual accounts established under the program meet the
22 requirements for IRAs under the internal revenue code.

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

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

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

32 **PART II**
33 **RETIREMENT MARKETPLACE**

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

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

3 The definitions in this section apply throughout this subchapter
4 unless the context clearly requires otherwise.

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

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

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

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

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

23 ~~(6))~~ "Participating employer" means any eligible employer with
24 employees enrolled in an approved plan offered through the Washington
25 small business retirement marketplace who chooses to participate in
26 the marketplace and offers approved plans to employees for voluntary
27 enrollment.

28 ~~((7))~~ (6) "Private sector financial services firms" or
29 "financial services firms" mean persons or entities licensed or
30 holding a certificate of authority and in good standing by either the
31 department of financial institutions or the office of the insurance
32 commissioner and meeting all federal laws and regulations to offer
33 retirement plans.

34 ~~((8))~~ (7) "Qualified employee" means those workers who are
35 defined by the federal internal revenue service to be eligible to
36 participate in a specific qualified plan.

37 ~~((9))~~ (8) "Target date or other similar fund" means a hybrid
38 mutual fund that automatically resets the asset mix of stocks, bonds,
39 and cash equivalents in its portfolio according to a selected time

1 frame that is appropriate for a particular investor. A target date is
2 structured to address a projected retirement date.

3 ~~((10))~~ (9) "Washington small business retirement marketplace"
4 or "marketplace" means the retirement savings program created to
5 connect eligible employers and their employees with approved plans to
6 increase retirement savings.

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

9 (1) The Washington small business retirement marketplace is
10 created.

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

14 (3) The director shall consult with the Washington state
15 department of retirement systems, the Washington state investment
16 board, and the department of financial institutions in designing and
17 managing the marketplace.

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

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

32 (6) (a) Prior to approving a plan to be offered on the
33 marketplace, the department must receive verification from the
34 department of financial institutions or the office of the insurance
35 commissioner:

36 (i) That the private sector financial services firm offering the
37 plan meets the ~~((requirements of))~~ definition in RCW
38 43.330.732~~((7))~~; and

1 (ii) That the plan meets the requirements of this section
2 excluding subsection (9) of this section which is subject to federal
3 laws and regulations.

4 (b) If the plan includes either life insurance or annuity
5 products, or both, the office of the insurance commissioner may
6 request that the department of financial institutions conduct the
7 plan review as provided in (a)(ii) of this subsection prior to
8 submitting its verification to the department.

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

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

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

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

23 (10) The approved plans must include the option for enrollees to
24 roll pretax contributions into a different individual retirement
25 account or another eligible retirement plan after ceasing
26 participation in a plan approved by the Washington small business
27 retirement marketplace.

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

38 (12) Participation in the Washington small business retirement
39 marketplace is voluntary for both eligible employers and qualified
40 employees.

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

3 **PART III**

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

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

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

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

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

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

27 (b) The following accounts and funds must receive their
28 proportionate share of earnings based upon each account's or fund's
29 average daily balance for the period: The 24/7 sobriety account, the
30 Washington promise scholarship account, the Gina Grant Bull memorial
31 legislative page scholarship account, the Rosa Franklin legislative
32 internship program scholarship account, the Washington advanced
33 college tuition payment program account, the Washington college
34 savings program account, the accessible communities account, the
35 Washington achieving a better life experience program account, the
36 Washington career and college pathways innovation challenge program
37 account, the community and technical college innovation account, the
38 agricultural local fund, the American Indian scholarship endowment

1 fund, the behavioral health loan repayment program account, the Billy
2 Frank Jr. national statutory hall collection fund, the foster care
3 scholarship endowment fund, the foster care endowed scholarship trust
4 fund, the contract harvesting revolving account, the Washington state
5 combined fund drive account, the commemorative works account, the
6 county 911 excise tax account, the county road administration board
7 emergency loan account, the toll collection account, the
8 developmental disabilities endowment trust fund, the energy account,
9 the energy facility site evaluation council account, the fair fund,
10 the family and medical leave insurance account, the fish and wildlife
11 federal lands revolving account, the natural resources federal lands
12 revolving account, the food animal veterinarian conditional
13 scholarship account, the forest health revolving account, the fruit
14 and vegetable inspection account, the educator conditional
15 scholarship account, the game farm alternative account, the GET ready
16 for math and science scholarship account, the Washington global
17 health technologies and product development account, the grain
18 inspection revolving fund, the Washington history day account, the
19 industrial insurance rainy day fund, the juvenile accountability
20 incentive account, the law enforcement officers' and firefighters'
21 plan 2 expense fund, the local tourism promotion account, the low-
22 income home rehabilitation account, the medication for people living
23 with HIV rebate revenue account, the homeowner recovery account, the
24 multiagency permitting team account, the northeast Washington wolf-
25 livestock management account, the pollution liability insurance
26 program trust account, the produce railcar pool account, the public
27 use general aviation airport loan revolving account, the regional
28 transportation investment district account, the rural rehabilitation
29 account, the Washington sexual assault kit account, the stadium and
30 exhibition center account, the youth athletic facility account, the
31 self-insurance revolving fund, the children's trust fund, the
32 Washington horse racing commission Washington bred owners' bonus fund
33 and breeder awards account, the Washington horse racing commission
34 class C purse fund account, the individual development account
35 program account, the Washington horse racing commission operating
36 account, the life sciences discovery fund, the Washington state
37 library-archives building account, the reduced cigarette ignition
38 propensity account, the center for deaf and hard of hearing youth
39 account, the school for the blind account, the Millersylvania park
40 trust fund, the public employees' and retirees' insurance reserve

1 fund, the school employees' benefits board insurance reserve fund,
2 the public employees' and retirees' insurance account, the school
3 employees' insurance account, the long-term services and supports
4 trust account, the radiation perpetual maintenance fund, the Indian
5 health improvement reinvestment account, the department of licensing
6 tuition recovery trust fund, the student achievement council tuition
7 recovery trust fund, the tuition recovery trust fund, the industrial
8 insurance premium refund account, the mobile home park relocation
9 fund, the natural resources deposit fund, the Washington state health
10 insurance pool account, the federal forest revolving account, the
11 Washington saves administrative treasury trust account, and the
12 library operations account.

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

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

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

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

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

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

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

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

15 (b) The following accounts and funds must receive their
16 proportionate share of earnings based upon each account's or fund's
17 average daily balance for the period: The 24/7 sobriety account, the
18 Washington promise scholarship account, the Gina Grant Bull memorial
19 legislative page scholarship account, the Rosa Franklin legislative
20 internship program scholarship account, the Washington advanced
21 college tuition payment program account, the Washington college
22 savings program account, the accessible communities account, the
23 Washington achieving a better life experience program account, the
24 Washington career and college pathways innovation challenge program
25 account, the community and technical college innovation account, the
26 agricultural local fund, the American Indian scholarship endowment
27 fund, the behavioral health loan repayment program account, the Billy
28 Frank Jr. national statutory hall collection fund, the foster care
29 scholarship endowment fund, the foster care endowed scholarship trust
30 fund, the contract harvesting revolving account, the Washington state
31 combined fund drive account, the commemorative works account, the
32 county 911 excise tax account, the county road administration board
33 emergency loan account, the toll collection account, the
34 developmental disabilities endowment trust fund, the energy account,
35 the energy facility site evaluation council account, the fair fund,
36 the family and medical leave insurance account, the fish and wildlife
37 federal lands revolving account, the natural resources federal lands
38 revolving account, the food animal veterinarian conditional
39 scholarship account, the forest health revolving account, the fruit
40 and vegetable inspection account, the educator conditional

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

38 (c) The following accounts and funds must receive 80 percent of
39 their proportionate share of earnings based upon each account's or
40 fund's average daily balance for the period: The advance right-of-way

1 revolving fund, the advanced environmental mitigation revolving
2 account, the federal narcotics asset forfeitures account, the high
3 occupancy vehicle account, the local rail service assistance account,
4 and the miscellaneous transportation programs account.

5 (d) Any state agency that has independent authority over accounts
6 or funds not statutorily required to be held in the custody of the
7 state treasurer that deposits funds into a fund or account in the
8 custody of the state treasurer pursuant to an agreement with the
9 office of the state treasurer shall receive its proportionate share
10 of earnings based upon each account's or fund's average daily balance
11 for the period.

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

15 **PART IV**
16 **MISCELLANEOUS**

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

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

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

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

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

34 Correct the title.

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

2. 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.

3. 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.

4. Specifies that the governing board must begin meeting in 2025.

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

6. 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 until June 30, 2027, and beginning July 1, 2027, requires the administrative agency to provide staff support.

7. Adds a definition for administrative agency and requires the governing board to include recommendations for which entity should be the administrative agency for the program in the final report on program implementation and design.

8. 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.

9. 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.

10. 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, and a final report due December 1, 2026, that includes a comprehensive summary of outreach activities conducted by the governing board with final recommendations for program design and implementation.

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

12. 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.

13. 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.

14. 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.

15. 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.

16. Clarifies that information, forms, and instructions furnished to employees include instructions on how to access funds.

17. 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.

18. 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.

19. 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.

20. 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.

21. Makes it explicit that a covered employee may choose to opt out of the Washington Saves program (program) at any time.

22. Requires the governing board to design the program with a simple process for covered employees to opt out of the program at any time or modify their payroll deductions.

23. Requires the governing board to develop disclosures for the program that include a statement that the program is voluntary for covered employees, and a covered employee may opt out of the program at any time, and instructions with procedures for how to opt-out.

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