

**RCW 19.05.030 Program requirements—Contribution rates—Employer duties.** (1) The program:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) Timely remit participant contributions; and

(iv) Distribute program information and disclosures to covered employees, as provided in RCW 19.05.040(14).

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

(c) Employers are not fiduciaries with respect to, or are liable for, the program, related information, educational materials, or forms or disclosures approved by the governing board, or the selection or performance of vendors selected by the governing board. An employer is not responsible for or obligated to monitor a covered employee's or individual participant's decision to participate in or opt out of the program, for contribution decisions, investment decisions, or failure to comply with the statutory eligibility conditions or limits on IRA contributions. An employer does not guarantee any investment, rate of return, or interest on assets in any individual participant account or the administrative account or is liable for any market losses, failure to realize gains, or any other adverse consequences, including the loss of favorable tax treatment or public assistance benefits, incurred by any person as a result of participating in the program. Nothing in this section relieves an employer from liability for criminal, fraudulent, tortious, or otherwise actionable conduct including liability related to the failure to remit employee contributions.

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

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

(c) Any moneys placed in these accounts may not be counted as assets for the purposes of state or local means-tested program eligibility or levels of state means-tested program eligibility.  
[2024 c 327 s 3.]

**Conflict with federal requirements—2024 c 327:** See note following RCW 19.05.020.