
HOUSE BILL 2044

State of Washington 60th Legislature 2007 Regular Session

By Representatives Pettigrew, Dunshee, Jarrett, Lantz, McIntire, Dickerson, Moeller, Kagi, Appleton, Darneille, Ericks, Ormsby, Linville and Simpson

Read first time 02/06/2007. Referred to Committee on Appropriations.

1 AN ACT Relating to creating the Washington voluntary retirement
2 accounts program; and adding new sections to chapter 41.50 RCW.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that many workers do
5 not have access to an employment-based retirement plan. Workers who
6 are unable to build up pensions and savings risk living on low incomes
7 in their old age and are more likely to become dependent on state
8 services. The Washington voluntary retirement accounts program
9 provides a simple and inexpensive way for workers to save for
10 retirement and employers to offer an employee benefit.

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

14 (1) "Program" means the Washington voluntary retirement accounts
15 program created under section 3 of this act.

16 (2) "Enrollee" means any worker in this state that is enrolled in
17 the program.

1 (3) "Participating employer" means any private employer, with a
2 place of business in this state, and with employees that have enrolled
3 in the program.

4 NEW SECTION. **Sec. 3.** To the extent that funding is appropriated
5 in the operating budget specifically for this purpose, the Washington
6 voluntary retirement accounts program is created. The director is
7 responsible for the implementation and operation of the Washington
8 voluntary accounts program, directly or by contract.

9 NEW SECTION. **Sec. 4.** Prior to the enrollment of individuals in
10 the Washington voluntary retirement accounts program, the director
11 shall design a plan for the operation of the Washington voluntary
12 retirement accounts program, and then seek approval from the federal
13 internal revenue service to offer the plan to Washington workers on a
14 tax-qualified basis. The plan must include the option for enrollees to
15 roll pretax contributions into an individual retirement account or
16 another eligible retirement plan after ceasing participation in the
17 program.

18 NEW SECTION. **Sec. 5.** Enrollment in the Washington voluntary
19 retirement accounts program is not an entitlement and must not result
20 in expenditures that exceed the amount that has been appropriated for
21 the program in the operating budget or is available in the Washington
22 voluntary retirement accounts partnership program account. If it
23 appears that continued enrollment will result in expenditures exceeding
24 the appropriated level for a particular fiscal year, the director may
25 freeze new enrollments in the program and establish a waiting list of
26 eligible workers, or reduce enrollments.

27 NEW SECTION. **Sec. 6.** Following the design and approval of the
28 program under section 4 of this act, the director shall adopt all rules
29 necessary for the implementation and operation of the Washington
30 voluntary retirement accounts program. As part of the rule development
31 process, the director shall consult with employers, workers, private
32 sector retirement plan administrators and providers, and any other
33 individuals or entities that the director determines relevant to the

1 development of an effective and efficient method for operating the
2 program.

3 NEW SECTION. **Sec. 7.** The Washington voluntary retirement accounts
4 partnership program account is hereby established in the custody of the
5 state treasurer. Any nonstate funds collected for the program must be
6 deposited in the account. Moneys in the account must be used
7 exclusively for the purposes of administering the program, including
8 for the design and qualification of the program, supporting the
9 administrative cost of enrolling individuals, and providing information
10 about the program. Only the director or a designee may authorize
11 expenditures from the account. The account is subject to the allotment
12 procedures under chapter 43.88 RCW, but an appropriation is not
13 required for expenditures.

14 NEW SECTION. **Sec. 8.** Private employers shall provide employees
15 with the opportunity to enroll in the Washington voluntary retirement
16 accounts program, including providing for payroll deductions for those
17 employees that enroll in the program. Employers with employees
18 enrolled in the Washington voluntary retirement accounts program are
19 authorized to contract with the enrolled employees to defer or
20 contribute a portion of the enrolled employees' compensation, in
21 accordance with the program rules.

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

27 NEW SECTION. **Sec. 10.** No state board, commission, or agency, or
28 any officer, employee, or member is liable for any loss or deficiency
29 resulting from investments selected by any enrollee.

30 NEW SECTION. **Sec. 11.** Sections 1 through 10 of this act are each
31 added to chapter 41.50 RCW under the subchapter heading "Washington

1 voluntary retirement accounts program."

--- END ---