
HOUSE BILL 2081

State of Washington 58th Legislature 2003 Regular Session

By Representatives Jarrett and Clibborn

Read first time 02/24/2003. Referred to Committee on Education.

1 AN ACT Relating to tax deferred annuities for school employees; and
2 amending RCW 28A.400.250.

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

4 **Sec. 1.** RCW 28A.400.250 and 1984 c 228 s 1 are each amended to
5 read as follows:

6 The board of directors of any school district, the Washington state
7 teachers' retirement system, the superintendent of public instruction,
8 and educational service district superintendents are authorized to
9 provide and pay for tax deferred annuities for their respective
10 employees in lieu of a portion of salary or wages as authorized under
11 the provisions of 26 U.S.C. (~~(, section)~~) Sec. 403(b), as amended (~~(by~~
12 ~~Public Law 87-370, 75 Stat. 796, as now or hereafter amended)~~). The
13 superintendent of public instruction and educational service district
14 superintendents, if eligible, may also be provided with such annuities.

15 At the request of at least five employees, the employees' employer
16 shall arrange for the purchase of tax deferred annuity contracts which
17 meet the requirements of 26 U.S.C. (~~(, section)~~) Sec. 403(b), as (~~(now~~
18 ~~or hereafter)~~) amended, for the employees from any company the
19 employees may choose that is authorized to do business in this state

1 (~~through a Washington licensed insurance agent that the employees may~~
2 ~~select~~)). Payroll deductions shall be made in accordance with the
3 arrangements for the purpose of paying the entire premium due and to
4 become due under the contracts. Employees' rights under the annuity
5 contract are nonforfeitable except for the failure to pay premiums.

6 The board of directors of any school district, the Washington state
7 teachers' retirement system, the superintendent of public instruction,
8 and educational service district superintendents shall not restrict,
9 except as provided in this section, employees' right to select the tax
10 deferred annuity of their choice (~~(or the agent, broker, or company~~
11 ~~licensed by the state of Washington through which the tax deferred~~
12 ~~annuity is placed or purchased,~~)) and shall not place limitations on
13 the time or place that the employees make the selection.

14 The board of directors of any school district, the Washington state
15 teachers' retirement system, the superintendent of public instruction,
16 and educational service district superintendents may each adopt rules
17 regulating the sale of tax deferred annuities which: (1) Prohibit
18 solicitation of employees for the purposes of selling tax deferred
19 annuities on school premises during normal school hours; and (2) (~~only~~
20 ~~permit the solicitation of tax deferred annuities by agents, brokers,~~
21 ~~and companies licensed by the state of Washington; and (3)) require
22 participating companies to execute reasonable agreements protecting the
23 respective employers from any liability attendant to procuring tax
24 deferred annuities.~~

--- END ---