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**SUBSTITUTE HOUSE BILL 2437**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** House Consumer Protection & Business (originally sponsored by Representatives Santos, Wylie, and Reeves)

AN ACT Relating to incentivizing retirement savings options for Washington businesses and their employees; creating a new section; and providing an expiration date.

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

NEW SECTION. **Sec.**  (1) The Washington retirement futures task force is established to address the administrative structure and implementation needs for creating a state administered retirement program for private sector employers and employees. The task force members are as follows:

(a) The president of the senate shall appoint two members from each of the two largest caucuses of the senate;

(b) The speaker of the house of representatives shall appoint two members from each of the two largest caucuses of the house of representatives;

(c) The director of the department of financial institutions or the director's designee; and

(d) The governor shall appoint six members representing:

(i) One member from the securities industry;

(ii) One member representing the interests of small, independent businesses in Washington;

(iii) One member representing minority and women-owned businesses;

(iv) One member representing the Washington asset building coalition;

(v) One member representing the insurance industry; and

(vi) One member representing a retirement advocacy organization.

(2) The task force shall choose its chair from among its legislative members. The legislative member from the majority caucus of the house of representatives shall convene the initial meeting of the task force.

(3) The task force shall:

(a) Conduct an in-depth analysis of the Washington small business retirement marketplace to understand why it has not achieved success in terms of higher participation rates, especially compared to other states, and recommend potential solutions or modifications for increasing engagement from private sector financial service corporations and employers;

(b) Examine whether a public retirement exchange model in which private financial advisors offer private retirement products would be a suitable alternative to the Washington small business retirement marketplace;

(c) Identify the feasibility of a state administered retirement program for private sector employers and employees, including an automatic enrollment individual retirement account program or a multiple employer retirement program, or both;

(d) Explore options for how a state administered retirement program could work in conjunction with the Washington small business retirement marketplace;

(e) Identify the necessary governing, administrative, and program structure for a state administered retirement program, including the following:

(i) Program requirements to comply with the internal revenue code, the employee retirement income security act of 1974, and other applicable federal and state laws;

(ii) Eligibility criteria for employees and employers;

(iii) Type of retirement account options available to plan participants;

(iv) Default investment contributions and escalation rates; and

(v) Investment strategies and a plan investment management;

(f) Examine the need for state agency involvement in:

(i) Educating employers and their employees on potential retirement options offered by the state;

(ii) Ensuring employer compliance, managing complaints and handling investigations, issuing penalties, and addressing appeals; and

(iii) Staffing or providing assistance in administering a state administered retirement program;

(g) Set forth recommendations for confidentiality and enforcement;

(h) Examine limitations on liability for employers, the state, an administrative body, and its members involved with potential governance and administration; and

(i) Identify a potential timeline for implementation of a state administered retirement program.

(4) Staff support for the task force is provided by the department of financial institutions.

(5) Legislative members of the task force are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW.

(6) The task force shall report its findings and recommendations to the governor and the appropriate committees of the legislature by December 1, 2024, and in accordance with RCW 43.01.036.

(7) This section expires August 1, 2025.

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