

**WSR 23-19-101
PROPOSED RULES
DEPARTMENT OF
RETIREMENT SYSTEMS**

[Filed September 20, 2023, 11:13 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 23-16-124.

Title of Rule and Other Identifying Information: SECURE Act 2.0 deduction of medical premiums by former public safety officers.

Hearing Location(s): On October 26, 2023, at 2:00 p.m., via [Microsoft] Teams <https://www.drs.wa.gov/sitemap/rules/#proposed-rule-hearings>, Meeting ID 267 620 395 74, Passcode yFoRZA; or phone 833-322-1218, Code 377 818 726#.

Date of Intended Adoption: October 30, 2023.

Submit Written Comments to: Bianca Stoner, Department of Retirement Systems (DRS), P.O. Box 48380, Olympia, WA 98504-8380, email drs.rules@drs.wa.gov, by October 23, 2023.

Assistance for Persons with Disabilities: Contact Bianca Stoner, phone 360-664-7291, TTY 711, email drs.rules@drs.wa.gov, by October 23, 2023.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Until recently, former public safety officers needed to have medical premiums deducted from their pension in order to qualify for a tax deduction, but under the federal SECURE Act 2.0, they can now deduct \$3,000 in medical premiums directly from their taxes.

Statutory Authority for Adoption: RCW 41.50.050; and the SECURE Act 2.0, part of the Consolidated Appropriations Act of 2023 (P.L. 117-328).

Rule is necessary because of federal law, SECURE Act 2.0, part of the Consolidated Appropriations Act of 2023 (P.L. 117-328).

Name of Proponent: DRS, governmental.

Name of Agency Personnel Responsible for Implementation: Cathy Cale, DRS, P.O. Box 48380, Olympia, WA 98504-8380, 360-664-7305.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. RCW 34.05.328 (5)(a)(i) does not apply to this proposed rule and DRS is not voluntarily making it applicable to the agency.

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(4).

Explanation of exemptions: Rules from DRS only affect members and beneficiaries of the state retirement systems and participating public employers. As a result, the rules do not affect small businesses.

Scope of exemption for rule proposal:

Is fully exempt.

September 20, 2023
Bianca Stoner
Rules Coordinator

OTS-4869.1

AMENDATORY SECTION (Amending WSR 07-22-026, filed 10/26/07, effective 11/26/07)

WAC 415-02-100 Can I have my insurance premiums deducted from my retirement allowance? (1) The department will ~~((only))~~ accept requests by retirees to deduct insurance premiums from retirement allowances if ~~((one of the following conditions is met:~~

~~(a))~~ the retiree's insurance provider has at least ~~((twenty-five))~~ 25 such retirees enrolled in a deduction program and has an established agreement with the department ~~((; or~~

~~(b) The retiree was an eligible public safety officer, as defined by Internal Revenue Code (IRC) 402(1), who has elected to participate in the federal tax savings program on health benefits for public safety officers under IRC 402(1). The retiree's insurance provider must have an established agreement with the department).~~

~~(2) ((For insurance providers under subsection (1)(a) of this section,))~~ The department may suspend deductions if the provider has fewer than ~~((twenty-five))~~ 25 participants and remains under ~~((twenty-five))~~ 25 participants for ~~((ninety))~~ more than 90 days.

(3) This rule applies to all retirement systems administered by the department.

[Statutory Authority: RCW 41.50.050(5). WSR 07-22-026, § 415-02-100, filed 10/26/07, effective 11/26/07; WSR 06-21-001, § 415-02-100, filed 10/4/06, effective 11/4/06. Statutory Authority: RCW 41.50.050. WSR 00-10-016, § 415-02-100, filed 4/21/00, effective 5/22/00. Statutory Authority: RCW 41.50.050(5) and 41.50.090. WSR 84-24-017 (Order V), § 415-02-100, filed 11/28/84.]