

**WSR 24-07-068
PROPOSED RULES
DEPARTMENT OF
RETIREMENT SYSTEMS**

[Filed March 15, 2024, 2:56 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 24-03-132.

Title of Rule and Other Identifying Information: SECURE Act 2.0, deferred compensation deferral dates.

Hearing Location(s): On April 23, 2024, at 1:00 p.m. The hearing will be conducted through [Microsoft] Teams. See <https://www.drs.wa.gov/sitemap/rules/#proposed-rule-hearings> for details. On-line via [Microsoft] Teams, link is available on <https://www.drs.wa.gov/sitemap/rules/#proposed-rule-hearings>, Meeting ID 264 606 636 241, Passcode saDPLp; or phone 833-322-1218, Code 772 491 67#.

Date of Intended Adoption: April 29, 2024.

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 April 19, 2024.

Assistance for Persons with Disabilities: Contact Bianca Stoner, phone 360-664-7291, TTY 711, email drs.rules@drs.wa.gov, by April 19, 2024.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Making necessary changes to implement deferred compensation deferral dates under the federal SECURE Act 2.0.

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).

Statute Being Implemented: 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: Amy McMahan, DRS, P.O. Box 48380, Olympia, WA 98504-8380, 360-870-0551.

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.

March 15, 2024
Bianca Stoner
Rules Coordinator

OTS-5158.1

AMENDATORY SECTION (Amending WSR 23-18-025, filed 8/25/23, effective 9/25/23)

WAC 415-501-410 How do I enroll in the plan? (1) As an eligible employee, you may enroll in the plan by executing a participation agreement according to methods established by the department.

(2) By executing the participation agreement, you authorize your employer to reduce your gross compensation each month by a specific amount. This amount will be contributed to your deferred compensation account. Your employer will reduce your compensation by the specified amount until you change the amount (WAC 415-501-450).

(3) Deferrals from your compensation will start (~~during the calendar month~~) as soon as administratively possible after (~~the month~~) your participation agreement is approved by the department.

(4) Reenrollment. If you transfer from a state agency to another state agency without a separation of employment, your deferred compensation program (DCP) enrollment will be automatically transferred to the new state agency. Your contributions will automatically continue. For nonstate participants, if you separate from employment with a DCP employer (break in service) and return to employment with a DCP employer, you must reenroll in the program if you want to resume contributions to DCP. Depending on the employer you return to, you may be subject to the automatic enrollment under WAC 415-501-400.

AMENDATORY SECTION (Amending WSR 16-24-013, filed 11/28/16, effective 1/1/17)

WAC 415-501-450 May I change my deferral amount? You may change the amount of your deferred compensation through the methods established by the department. Changes must be made in a whole dollar increment or whole percentage.

A change in the amount will be effective (~~for any calendar month only~~) as soon as administratively possible if you notify the department of the change, through the methods available, (~~prior to the month for which the change is requested~~) and prior to your employer's established "cutoff date" for the payroll in which the change will occur.