

**WSR 25-16-095**  
**PROPOSED RULES**  
**DEPARTMENT OF**  
**RETIREMENT SYSTEMS**

[Filed August 5, 2025, 11:46 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 25-11-084.

Title of Rule and Other Identifying Information: Volunteer firefighter participation in deferred compensation program.

Hearing Location(s): On September 11, 2025, at 2:00 p.m., via Microsoft Teams at <https://www.drs.wa.gov/sitemap/rules/#proposed-rule-hearings>, Meeting ID 231 554 388 302 1, Passcode TK9tc2rn; or Phone 833-322-1218, Code 381 546 037#.

Date of Intended Adoption: September 18, 2025.

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](mailto:drs.rules@drs.wa.gov), beginning August 11, 2025, 8:00 a.m., by September 11, 2025, 1:00 p.m.

Assistance for Persons with Disabilities: Contact Bianca Stoner, phone 360-664-7291, TTY 711, email [drs.rules@drs.wa.gov](mailto:drs.rules@drs.wa.gov), by September 8, 2025.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Implementing chapter 52, Laws of 2025, regarding volunteer firefighter participation in the state deferred compensation program.

Reasons Supporting Proposal: DRS needs to revise WAC to align with the new law.

Statutory Authority for Adoption: RCW 41.50.050 and chapter 52, Laws of 2025.

Statute Being Implemented: Chapter 52, Laws of 2025.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: DRS, governmental.

Name of Agency Personnel Responsible for Drafting: Seth Miller, DRS, P.O. Box 48380, Olympia, WA 98504-8380, 360-664-7304; Implementation and Enforcement: Mike Ricchio, DRS, P.O. Box 48380, Olympia, WA 98504-8380, 360-664-7227.

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.

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.

August 5, 2025  
Bianca Stoner  
Rules Coordinator

RDS-6477.2

AMENDATORY SECTION (Amending WSR 24-15-068, filed 7/17/24, effective 8/17/24)

**WAC 415-501-110 Definitions.** (1) **Accumulated deferrals.** Compensation deferred under the plan, adjusted by income received, increases or decreases in investment value, fees, and any prior distributions made.

(2) **Automatic enrollment.** A process of enrolling newly hired full-time employees as of January 1, 2017. See WAC 415-501-400 for details.

(3) **Beneficiary.** The person or entity entitled to receive benefits under the plan after the death of a participant.

(4) **Compensation.** All payments made to a participant by the employer as remuneration for services rendered.

(5) **Contributions.** The amount of deferred compensation that you contribute monthly, which can be pretax, taxed, or a combination of both.

(6) **Deferred compensation.** The amount of the participant's compensation that is deferred. Pretax and taxed contributions are both considered deferred compensation. See WAC 415-501-400, 415-501-410, and 415-501-450.

(7) **Deferred compensation program or plan.** A plan that allows employees of the state of Washington and approved political subdivisions of the state of Washington to defer a portion of their compensation according to the provisions of Section 457(b) of the Internal Revenue Code.

(8) **Department.** The department of retirement systems created by RCW 41.50.020 or its designee.

(9) **Eligible employee.** Any person who is employed by and receives any type of eligible compensation from a participating employer for whom services are provided, and who is:

(a) A full-time, part-time, or career seasonal employee of Washington state, a county, a municipality, or other political subdivision of the state, whether or not covered by civil service;

(b) An elected or appointed official of the executive branch of the government, including a full-time member of a board, commission, or committee;

(c) A justice of the supreme court, or a judge of the court of appeals or of a superior or district court; (~~or~~)

(d) A member of the state legislature or of the legislative authority of a county, city, or town; or

(e) A volunteer firefighter in accordance with RCW 41.24.010(6).

(10) **Eligible rollover distribution.** A distribution to a participant of any or all funds from an eligible retirement plan unless it is:

(a) One in a series of substantially equal annuity payments;

(b) One in a series of substantially equal installment payments payable over 10 years or more;

(c) Required to meet minimum distribution requirements of the plan; or

(d) Distributed for hardship or unforeseeable emergency from a 457 plan.

(11) **Employer.**

(a) The state of Washington; and

(b) Approved political subdivisions of the state of Washington.

(12) **In-plan conversion.** Allows you to take all or a portion of the funds in your pretax account and convert it to a Roth account.

(13) **Normal retirement age.** An age designated by the participant for purposes of the three-year catch-up provision described in WAC 415-501-430(2). The participant may choose a normal retirement age between:

(a) The earliest age at which an eligible participant has the right to receive retirement benefits without actuarial or similar reduction from his/her retirement plan with the same employer; and

(b) Age 70 1/2.

(14) **Participant.** An eligible employee who:

(a) Is currently deferring compensation under the plan; or

(b) Has previously deferred compensation and has not received a distribution of his/her entire benefit under the plan.

(15) **Participation agreement.** The agreement executed by an eligible employee to enroll in the plan through methods established by the department. Includes the participant's authorization to defer compensation through payroll deductions pursuant to WAC 415-501-410 and 415-501-450.

(16) **Qualified distribution.** A distribution of funds from a designated Roth account that is not subject to further taxation. A qualified distribution may only occur:

(a) After a five-taxable-year period of participation in the Roth account; and

(b) If the distribution is made: (i) On or after attainment of age 59 1/2, (ii) becoming permanently disabled, or (iii) death.

(17) **Roth account.** A form of deferred compensation in which funds are subject to federal income tax at the time of contribution.

(18) **Seasonal employee.** An employee whose position is anticipated to last fewer than five consecutive months.

(19) **You,** as used in this chapter, means a participant as defined in subsection (14) of this section.