

SB 6069 -- Redline

Substitute to Bill -- Improving retirement security for Washingtonians by establishing Washington saves, an automatic enrollment individual retirement savings account program, and updating the Washington retirement marketplace statute.

Deletions ~~struck~~ · Insertions underlined

~~ENGROSSED~~7-0629.1 ~~SUBSTITUTE~~ SENATE BILL 6069 State of Washington 68th Legislature 2024 Regular Session By ~~Senate Ways & Means (originally sponsored by~~ Senators Mullet, Valdez, Hunt, Liias, Nguyen, Saldana, and Van De Wege;

by request of State ~~Treasurer~~Treasurer ~~READ~~Read ~~FIRST~~first ~~TIME~~time ~~02/05/24~~01/09/24.

~~AN Referred ACT Relating to improving Committee private on Washington Ways workforce & retirement Means. security standards by establishing Washington saves, an automatic enrollment individual retirement savings account program, and updating the Washington retirement marketplace statute;~~

AN ACT Relating to improving retirement security for Washingtonians by establishing Washington saves, an automatic enrollment individual retirement savings account program, and updating the Washington retirement marketplace statute;

1 ~~ESSB~~SB 6069 NEW SECTION.

~~The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.~~

(2) "Complainant" means ~~a~~anyone ~~covered employee, or that employee's designee who has written or legal authority to act on behalf of the employee,~~ who files a complaint alleging an employer administrative violation of section 3 of this act who learned of the alleged violation by way of their employment with a covered employer.

(c) Does not offer a qualified retirement plan to their covered ~~employees~~employees; ~~who have had continuous employment of one year or more;~~

and (d) Employs, and at any point during the immediately preceding calendar year employed, ~~employees~~five working or more combined individuals. ~~minimum of 10,400 hours.~~

~~p.~~(12) "Individual participant" means any individual who is contributing to, or has a balance credited in, an IRA through the program.

~~2 ESSB 6069 (12) "Individual participant" means any individual who is contributing to, or has a balance credited in, an IRA through the program.~~

~~(14)p. "IRA" means a traditional or Roth individual retirement account or individual retirement annuity described in section 408(a), 408(b), or 408A of the internal revenue code.~~

2 SB 6069 (14) "IRA" means a traditional or Roth individual retirement account or individual retirement annuity described in section 408(a), 408(b), or 408A of the internal revenue code.

~~A qualified retirement plan may require continuous employment of up to one year to be eligible for employee participation.~~

~~p.~~(2)(a) Covered employees, who do not opt out of the program, are automatically enrolled in the program at the default rate or at an amount expressly specified by the employee in connection with the payroll deduction IRA agreement.

~~3 ESSB 6069 (2)(a) Covered employees, who do not opt out of the program, are automatically enrolled in the program at the default rate or at an amount expressly specified by the employee in connection with the payroll deduction IRA agreement.~~

~~(b)p. Contributions must be invested in the default investment option unless the individual participant affirmatively elects to invest some or all balances in one or more approved investment options offered by the program.~~

3 SB 6069 (b) Contributions must be invested in the default investment option unless the individual participant affirmatively elects to invest some or all balances in one or more approved investment options offered by the program.

~~p.~~(I) A description of the benefits and risks associated with making contributions under the program;

~~4 ESSB 6069 (I) A description of the benefits and risks associated with making contributions under the program;~~

~~(IV)p. A statement that covered employees seeking financial advice should contact their own financial advisers, that covered employers are not in a position to provide financial advice, and that covered employers are not liable for decisions covered employees make under this chapter;~~

4 SB 6069 (IV) A statement that covered employees seeking financial advice should contact their own financial advisers, that covered employers are not in a position to provide financial advice, and that covered employers are not liable for decisions covered employees make under this chapter;

and ~~p.~~(III) Making transfers, rollovers, withdrawals, and other distributions from the covered employee's IRA.

~~5 ESSB 6069 (III) Making transfers, rollovers, withdrawals, and other distributions from the covered employee's IRA.~~

~~Anp. employer is not responsible for or obligated to monitor a covered employee's or individual participant's decision to participate in or opt out of the program, for contribution decisions, investment decisions, or failure to comply with the statutory eligibility conditions or limits on IRA contributions.~~

5 SB 6069 An employer is not responsible for or obligated to monitor a covered employee's or individual participant's decision to participate in or opt out of the program, for contribution decisions, investment decisions, or failure to comply with the statutory eligibility conditions or limits on IRA contributions.

(2) The governing board is comprised of ~~nine~~seven members as follows:

~~p. (a) The state treasurer;~~

~~6 ESSB 6069 (a) The state treasurer;~~

and (iii) One member representing a retirement advocacy organization;

~~(iv) One member representing covered employees;~~

~~and (v) One member representing covered employers.~~

~~(4)p. Members who are appointed by the governor serve three-year terms and may be appointed for a second three-year term at the discretion of the governor.~~

6 SB 6069 (4) Members who are appointed by the governor serve three-year terms and may be appointed for a second three-year term at the discretion of the governor.

~~p. (8) The governing board shall establish, design, develop, implement, maintain, and oversee the program in accordance with this chapter and best practices for retirement saving vehicles.~~

~~7 ESSB 6069 (8) The governing board shall establish, design, develop, implement, maintain, and oversee the program in accordance with this chapter and best practices for retirement saving vehicles.~~

~~The menu of investment optionsp. may encompass a range of risk and return opportunities and must take the following into account:~~

7 SB 6069 options may encompass a range of risk and return opportunities and must take the following into account:

~~(d) Consult with the office, the department, the office of minority and women's business enterprises, and the office of the p. secretary of state to create a strategy to educate and inform covered employers about employer administrative duties under this chapter;~~

~~8 ESSB 6069 secretary of state to create a strategy to educate and inform covered employers about employer administrative duties under this chapter;~~

~~(b) Employee alternative election procedure including, but not limited to, the method in which a participating individual may opt outp. of participation, change their contribution rate, opt out of auto-escalation, make nonpayroll contributions, and make withdrawals;~~

8 SB 6069 out of participation, change their contribution rate, opt out of auto-escalation, make nonpayroll contributions, and make withdrawals;

~~(15) Members of the governing board and the office are not liable to the state, to the fund, or to any other person as a result of p. their activities as members, whether ministerial or discretionary, except for willful dishonesty or intentional violation of law.~~

~~9 ESSB 6069 their activities as members, whether ministerial or discretionary, except for willful dishonesty or intentional violation of law.~~

~~(c)p. Board decisions;~~

9 SB 6069 (c) Board decisions;

~~All other expenses caused by self-directed investments must be paid by the participant in p. accordance with the rules established by the governing board.~~

~~10 ESSB 6069 accordance with the rules established by the governing board.~~

~~and (b)p. In accordance with the investment policy established by the governing board.~~

10 SB 6069 (b) In accordance with the investment policy established by the governing board.

~~p. (2) If a complainant files a complaint with the department alleging any administrative violation, the department shall investigate the complaint and:~~

~~11(a) ESSBIf 6069the (2)complaint Ifis afiled complainantwithin files the afirst complainttwo withyears of when the departmentprogram allegingapplies anyto administrativea violation,covered theemployer, departmentoffer shalltechnical investigateassistance to the complaintemployer andto bring them into compliance.~~

~~(a)Civil Ifpenalties the may complaintnot isbe filedassessed beforeduring Januarythis 1, education 2030, period; offer technical assistance to the employer to bring them into compliance.~~

Civil(b) penaltiesIf maythe notcomplaint beis assessedfiled beforeafter Januarythe 1, first 2030;two years of when the program applies to the covered employer, educate the employer on p.

~~(b)11 If SB the 6069 complaint is filed on or after January 1, 2030, educate the employer on~~ how to come into compliance and, if necessary and as provided in this section, enforce penalties for willful violations.

(b) Except as provided otherwise in this chapter, the maximum penalty for a first-time willful violation is ~~\$100\$100.~~ and \$250 for a second willful violation.

In accordance with the department's retention schedule obligations under chapter 40.14 RCW, the department shall maintain a complete and accurate record of all written orders, rulings, approvals, opinions, advice, determinations, and interpretations for purposes of p. determining whether an employer is immune from civil penalties under (b) of this subsection.

~~12 ESSB 6069 determining whether an employer is immune from civil penalties under (b) of this subsection.~~

~~NEW p. SECTION.~~

12 SB 6069 NEW SECTION.

LABOR AND ~~INDUSTRIES~~INDUSTRIES--ADMINISTRATIVE---ADMINISTRATIVE CITATION APPEALS.

~~p.(6) An employer who fails to allow adequate inspection of records in an investigation by the department under this section within a reasonable time period may not use such records in any appeal under this section to challenge the correctness of any determination by the department of the penalty assessed.~~

~~13 ESSB 6069 (6) An employer who fails to allow adequate inspection of records in an investigation by the department under this section within a reasonable time period may not use such records in any appeal under this section to challenge the correctness of any determination by the department of the penalty assessed.~~

If any employee files a complaint with the ~~department~~p. alleging that the employer impermissibly withheld any amounts due to the employee related to the employer's obligations under section 3 of this act, the department shall investigate and otherwise enforce the complaint as an alleged violation of a wage payment requirement, as defined in RCW 49.48.082.

13 SB 6069 department alleging that the employer impermissibly withheld any amounts due to the employee related to the employer's obligations under section 3 of this act, the department shall investigate and otherwise enforce the complaint as an alleged violation of a wage payment requirement, as defined in RCW 49.48.082.

~~p.(5) Any citation or determination of compliance issued under this section is subject to RCW 49.48.083, 49.48.084, 49.48.085, and 49.48.086.~~

~~14 ESSB 6069 (5) Any citation or determination of compliance issued under this section is subject to RCW 49.48.083, 49.48.084, 49.48.085, and 49.48.086.~~

~~(a)p. If information provided to the office or the governing board by a governmental agency is held private and confidential by state or federal law, the office and the governing board may not release such information, unless otherwise provided in this section.~~

14 SB 6069 (a) If information provided to the office or the governing board by a governmental agency is held private and confidential by state or federal law, the office and the governing board may not release such information, unless otherwise provided in this section.

(c) The office or the governing board may disclose information and records deemed confidential under this chapter to a third party acting on behalf of an individual or employer that would otherwise be ~~p.~~eligible to receive records under this section when the office or the governing board receives a signed release from the individual or employer.

~~15 ESSB 6069 eligible to receive records under this section when the office or the governing board receives a signed release from the individual or employer.~~

~~(iii)p. The specific purpose for which the information is sought and a statement that information obtained under the release will only be used for that purpose;~~

15 SB 6069 (iii) The specific purpose for which the information is sought and a statement that information obtained under the release will only be used for that purpose;

(b) If misuse of an unauthorized disclosure of confidential records or information occurs, all parties who are aware of the ~~p.~~violation must inform the office immediately and must take all reasonable available actions to rectify the disclosure to the office's standards.

~~16(c) ESSB The 6069 misuse violation or must unauthorized inform release the of office records immediately or information deemed private and must confidential take under all this reasonable chapter available by actions any to private rectify person, governmental agency, or organization will subject the disclosure person, governmental agency, or organization to the a office's civil standards. penalty up to \$20,000 p.~~

~~(c)16 The SB misuse 6069 or unauthorized release of records or information deemed private and confidential under this chapter by any private person, governmental agency, or organization will subject the person, governmental agency, or organization to a civil penalty up to \$20,000 in the first year of the program.~~

~~p. NEW SECTION.~~

~~17 ESSB 6069 NEW SECTION.~~

~~The governing board shall determine how the account operates, p. provided that the account is operated so that the individual accounts established under the program meet the requirements for IRAs under the internal revenue code.~~

17 SB 6069 operates, provided that the account is operated so that the individual accounts established under the program meet the requirements for IRAs under the internal revenue code.

~~p. (4) "Enrollee" means any employee who is voluntarily enrolled in an approved plan offered by an eligible employer through the Washington small business retirement marketplace.~~

~~18 (5) ESSB ("myRA" 6069 means (4) the "Enrollee" myRA means retirement any program employee administered who by is the voluntarily United enrolled States in department and approved the plan treasury offered that by is an available eligible to employer all through employers the and Washington employees small with business no retirement fees marketplace or no minimum contribution p.~~

~~(5) 18 (("myRA" SB means 6069 the myRA retirement program administered by the United States department of the treasury that is available to all employers and employees with no fees or no minimum contribution requirements.~~

~~p. (3) The director shall consult with the Washington state department of retirement systems, the Washington state investment board, and the department of financial institutions in designing and managing the marketplace.~~

~~19 ESSB 6069 (3) The director shall consult with the Washington state department of retirement systems, the Washington state investment board, and the department of financial institutions in designing and managing the marketplace.~~

~~(5) p. A range of investment options must be provided to meet the needs of investors with various levels of risk tolerance and various ages.~~

19 SB 6069 (5) A range of investment options must be provided to meet the needs of investors with various levels of risk tolerance and various ages.

~~((The marketplace must offer myRA.)) p. (8) In order for the marketplace to operate, there must be at least two approved plans on the marketplace;~~

~~20 ESSB 6069 (8) In order for the marketplace to operate, there must be at least two approved plans on the marketplace;~~

~~(10) p. The approved plans must include the option for enrollees to roll pretax contributions into a different individual retirement account or another eligible retirement plan after ceasing participation in a plan approved by the Washington small business retirement marketplace.~~

20 SB 6069 (10) The approved plans must include the option for enrollees to roll pretax contributions into a different individual retirement account or another eligible retirement plan after ceasing participation in a plan approved by the Washington small business retirement marketplace.

~~p. (2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.~~

~~21 ESSB 6069 (2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.~~

~~The investment income account is subject in all respects to chapter p. 43.88 RCW, but no appropriation is required for payments to financial institutions.~~

21 SB 6069 chapter 43.88 RCW, but no appropriation is required for payments to financial institutions.

national statutory hall collection fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county 911 excise tax account, the county road administration board emergency loan account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the energy facility site evaluation council account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the educator conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low- income home rehabilitation account, the medication for people living p.

~~22 ESSB SB 6069 scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low- income home rehabilitation account,~~

~~the medication for people living~~ with HIV rebate revenue account, the homeowner recovery account, the multiagency permitting team account, the northeast Washington wolf- livestock management account, the pollution liability insurance program trust account, the produce railcar pool account, the public use general aviation airport loan revolving account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state library-archives building account, the reduced cigarette ignition propensity account, the center for deaf and hard of hearing youth account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, the public employees' and retirees' insurance account, the school employees' insurance account, the long-term services and supports trust account, the radiation perpetual maintenance fund, the Indian health improvement reinvestment account, the department of licensing tuition recovery trust fund, the student achievement council tuition recovery trust fund, the tuition recovery trust fund, the industrial insurance premium refund account, the mobile home park relocation fund, the natural resources deposit fund, the Washington state health insurance pool account, the federal forest revolving account, the Washington saves administrative treasury trust account, and the library operations account.

(c) The following accounts and funds must receive 80 percent of their proportionate share of earnings based upon each account's or ~~p-fund's average daily balance for the period:~~

~~23 ESSB 6060 fund's average daily balance for the period:~~

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the ~~custody p. of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.~~

23 SB 6069 custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's ~~p-average daily balance for the period:~~

~~24 The ESSB 24/7 6069 sobriety average account, daily the balance Washington for promise scholarship account, the period Gina Grant Bull memorial legislative page scholarship account, the Rosa Franklin legislative internship program scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the Washington career and college pathways innovation challenge program p.~~

~~The 24 24/7 SB sobriety 6069 account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Rosa Franklin legislative internship program scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the Washington career and college pathways innovation challenge program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the behavioral health loan repayment program account, the Billy Frank Jr.~~

national statutory hall collection fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county 911 excise tax account, the county road administration board emergency loan account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the energy facility site evaluation council account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the educator conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low- income home rehabilitation account, the medication for people living with HIV rebate revenue account, the homeowner recovery account, the multiagency permitting team account, the northeast Washington wolf- livestock management account, the produce railcar pool account, the public use general aviation airport loan revolving account, the regional transportation investment district account, the rural rehabilitation account, the Washington

sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state library-archives building account, the reduced cigarette ignition propensity account, the center for deaf and hard of hearing youth account, the school for the blind account, the p.

25 ~~ESSB 6069 trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state library-archives building account, the reduced cigarette ignition propensity account, the center for deaf and hard of hearing youth account, the school for the blind account, the~~ Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, the public employees' and retirees' insurance account, the school employees' insurance account, the long-term services and supports trust account, the radiation perpetual maintenance fund, the Indian health improvement reinvestment account, the department of licensing tuition recovery trust fund, the student achievement council tuition recovery trust fund, the tuition recovery trust fund, the industrial insurance premium refund account, the mobile home park relocation fund, the natural resources deposit fund, the Washington state health insurance pool account, the federal forest revolving account, the Washington saves administrative treasury trust account, and the library operations account.

PART IV ~~P-~~MISCELLANEOUS NEW SECTION.

~~26 ESSB 6069 MISCELLANEOUS NEW SECTION.~~

~~NEW D. SECTION.~~

26 SB 6069 NEW SECTION.

27 ~~ESSB~~SB 6069