
SUBSTITUTE HOUSE BILL 2437

State of Washington

68th Legislature

2024 Regular Session

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

READ FIRST TIME 01/31/24.

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

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

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

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

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

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

17 (d) The governor shall appoint six members representing:

18 (i) One member from the securities industry;

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

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

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

5 (v) One member representing the insurance industry; and
6 (vi) One member representing a retirement advocacy organization.

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

11 (3) The task force shall:

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

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

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

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

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

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

35 (ii) Eligibility criteria for employees and employers;

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

38 (iv) Default investment contributions and escalation rates; and
39 (v) Investment strategies and a plan investment management;

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

- 1 (i) Educating employers and their employees on potential
2 retirement options offered by the state;
- 3 (ii) Ensuring employer compliance, managing complaints and
4 handling investigations, issuing penalties, and addressing appeals;
5 and
- 6 (iii) Staffing or providing assistance in administering a state
7 administered retirement program;
- 8 (g) Set forth recommendations for confidentiality and
9 enforcement;
- 10 (h) Examine limitations on liability for employers, the state, an
11 administrative body, and its members involved with potential
12 governance and administration; and
- 13 (i) Identify a potential timeline for implementation of a state
14 administered retirement program.
- 15 (4) Staff support for the task force is provided by the
16 department of financial institutions.
- 17 (5) Legislative members of the task force are reimbursed for
18 travel expenses in accordance with RCW 44.04.120. Nonlegislative
19 members are not entitled to be reimbursed for travel expenses if they
20 are elected officials or participating on behalf of an employer,
21 governmental entity, or other organization. Any reimbursement for
22 other nonlegislative members is subject to chapter 43.03 RCW.
- 23 (6) The task force shall report its findings and recommendations
24 to the governor and the appropriate committees of the legislature by
25 December 1, 2024, and in accordance with RCW 43.01.036.
- 26 (7) This section expires August 1, 2025.

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