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SENATE BILL 6328

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State of Washington

63rd Legislature

2014 Regular Session

By Senators Roach and Kline

Read first time 01/21/14. Referred to Committee on Ways & Means.

1 AN ACT Relating to deferred compensation plans; and amending RCW  
2 41.50.770.

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

4 **Sec. 1.** RCW 41.50.770 and 2010 1st sp.s. c 7 s 29 are each amended  
5 to read as follows:

6 (1) "Employee" as used in this section and RCW 41.50.780 includes  
7 all full-time, part-time, and career seasonal employees of the state,  
8 a county, a municipality, or other political subdivision of the state,  
9 whether or not covered by civil service; elected and appointed  
10 officials of the executive branch of the government, including full-  
11 time members of boards, commissions, or committees; justices of the  
12 supreme court and judges of the court of appeals and of the superior  
13 and district courts; and members of the state legislature or of the  
14 legislative authority of any county, city, or town.

15 (2) The state, through the department, and any county,  
16 municipality, or other political subdivision of the state acting  
17 through its principal supervising official or governing body is  
18 authorized to contract with an employee to defer a portion of that  
19 employee's income, which deferred portion shall in no event exceed the

1 amount allowable under 26 U.S.C. Sec. 457, and deposit or invest such  
2 deferred portion in a credit union, savings and loan association, bank,  
3 or mutual savings bank or purchase life insurance, shares of an  
4 investment company, individual securities, or fixed and/or variable  
5 annuity contracts from any insurance company or any investment company  
6 licensed to contract business in this state.

7 (3) Employees participating in the state deferred compensation plan  
8 administered by the department shall self-direct the investment of the  
9 deferred portion of their income through the selection of investment  
10 options as set forth in subsection (4) of this section.

11 (4) The department can provide such plans as it deems are in the  
12 interests of state employees. In addition to the types of investments  
13 described in this section, the state investment board, with respect to  
14 the state deferred compensation plan, shall invest the deferred portion  
15 of an employee's income, without limitation as to amount, in accordance  
16 with RCW 43.84.150, 43.33A.140, and 41.50.780, and pursuant to  
17 investment policy established by the state investment board for the  
18 state deferred compensation plans. The state investment board, after  
19 consultation with the director regarding any recommendations made  
20 pursuant to RCW 41.50.088(2), shall provide a set of options for  
21 participants to choose from for investment of the deferred portion of  
22 their income. Any income deferred under such a plan shall continue to  
23 be included as regular compensation, for the purpose of computing the  
24 state or local retirement and pension benefits earned by any employee.

25 (5) Coverage of an employee under a deferred compensation plan  
26 under this section shall not render such employee ineligible for  
27 simultaneous membership and participation in any pension system for  
28 public employees.

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