

Washington State 2015

SB 5826 – State of Savers Partnership

Background

The Washington Legislature approved SB 5826, a voluntary proposal supported by ACLI that is intended to provide greater access to 401(k), the federal myRA program and other retirement plans for small employers and their employees. The bill would create a small business retirement plan “marketplace” focusing on private providers along with a website that could connect private sector employers to existing retirement plan vendors.

- The bill establishes a digital marketplace for employers with 100 or fewer employees to purchase private sector plans.
- Agents are able to connect employers to plans, allowing for commissions.
- The state does not provide a plan, but simply approves or certifies private plans for the marketplace.
- MyRA is a key component of the marketplace offering.
- Use of the marketplace is voluntary for both the employer and the employee
- The marketplace also provides educational and federal tax incentive information.
- The bill itself does not include any tax incentives as Washington does not have a state income tax
- Overseen by the Director of the State Commerce Department with collaboration of Dept of Retirement Systems and financial regulators
- A private vendor will be selected to manage the operations of the marketplace
- Implementation expected in 2016-2017

Supporters of SB 5826

American Council of Life Insurers
AARP
Washington Bankers Association
SIFMA
Employer Groups