

AMENDATORY SECTION (Amending WSR 16-12-029, filed 5/23/16, effective 6/23/16)

WAC 365-65-060 Approval of verified plans. (1) The department will approve a diverse array of verified plan options to be offered in the marketplace, including but not limited to:

(a) Life insurance plans or annuities that are designed for retirement purposes;

(b) Plans for eligible employer participation such as a ((A)) SIMPLE-IRA type of plan that provides for employer contributions to participant accounts; and

(c) A payroll deduction individual retirement account or individual retirement annuity, or a workplace based individual retirement account open to all workers to which the employer does not contribute.

(2) The department will approve the myRA retirement program to be offered in the marketplace.

(3) A verified plan that is proposed to be offered in the marketplace must be submitted to the department for review and approval, including all documentation, in a form prescribed by the department.

(4) A verified plan that is proposed to be offered in the marketplace must comply with applicable laws and rules, (~~included~~) including but not limited to federal tax laws.

AMENDATORY SECTION (Amending WSR 16-12-029, filed 5/23/16, effective 6/23/16)

WAC 365-65-080 Limits on fees. (1) A verified financial services firm that offers approved plans in the marketplace may not charge participating employers an administrative fee, and may not charge enrollees more than one hundred basis points in total annual fees.

(2) As an exception to the aforementioned limit on fees, financial services firms may charge retirement plan enrollees a de minimis fee for new and/or low balance accounts in amounts, and for durations, negotiated and agreed upon by the department and the verified financial services firm, as follows:

(a) A financial services firm that intends to negotiate a de minimis fee for retirement plan enrollees with new and/or low balance accounts must contact the department with a request to enter into negotiations.

(b) A de minimis fee must be negotiated with the department and established as an agreement through a contractual instrument to be specified by the department. Once established, a de minimis fee must be evidenced in the plan agreement provided to enrollees. The agreed upon de minimis fee will be displayed on the product comparison and product detail pages of the marketplace website.

(c) The director must limit plans to those with total fees the director considers reasonable based on all the facts and circumstances, including but not limited to:

(i) The primary mission to increase access to low-cost and low-barrier retirement savings plans for small businesses and their employees;

(ii) The goal of bringing new savers into retirement plans;

(iii) The market conditions faced by financial services firms to establish and service retirement savings plans for enrollees with new and/or low-balance accounts;

(iv) The goal of maintaining and improving fee transparency and simplicity; and/or

(v) Attempts on the part of the financial services firm to arrive at a low cost fee arrangement without charging a de minimis fee.

(d) Once a de minimis fee has been agreed upon by the department and the financial services firm, the financial services firm must supply a copy of the executed agreement to the department of financial institutions.

(e) Any changes to an agreed upon de minimis fee must be negotiated and agreed upon with the department prior to submission of an amended application for verification with the department of financial institutions.

(f) No later than September 2020, the department will evaluate the ongoing need to allow de minimis fees to be charged to enrollees.