



Washington's State Retirement Security Initiative

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#WashSBRM

Washington State Department Of Commerce

NCSL, August 2016:

In a word or phrase, what keeps us from adequately saving for retirement?





Over 40% of Washington's worker aren't covered in the workplace

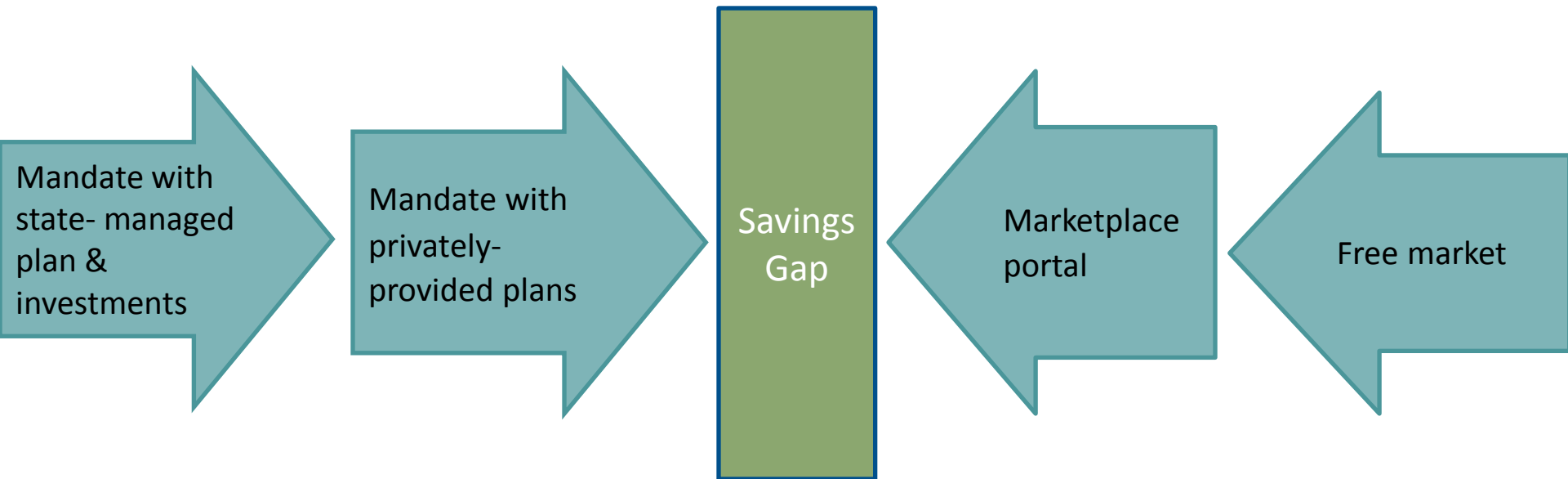
90,000 small businesses offer no retirement savings benefits

½ of annual salary saved in DC accounts for 40-somethings; should be 3-4x

Washington's retirement savings gap



National policy context



8 states with enacted legislation (OR, IL, CA, CT, MD, WA, NJ, MA)

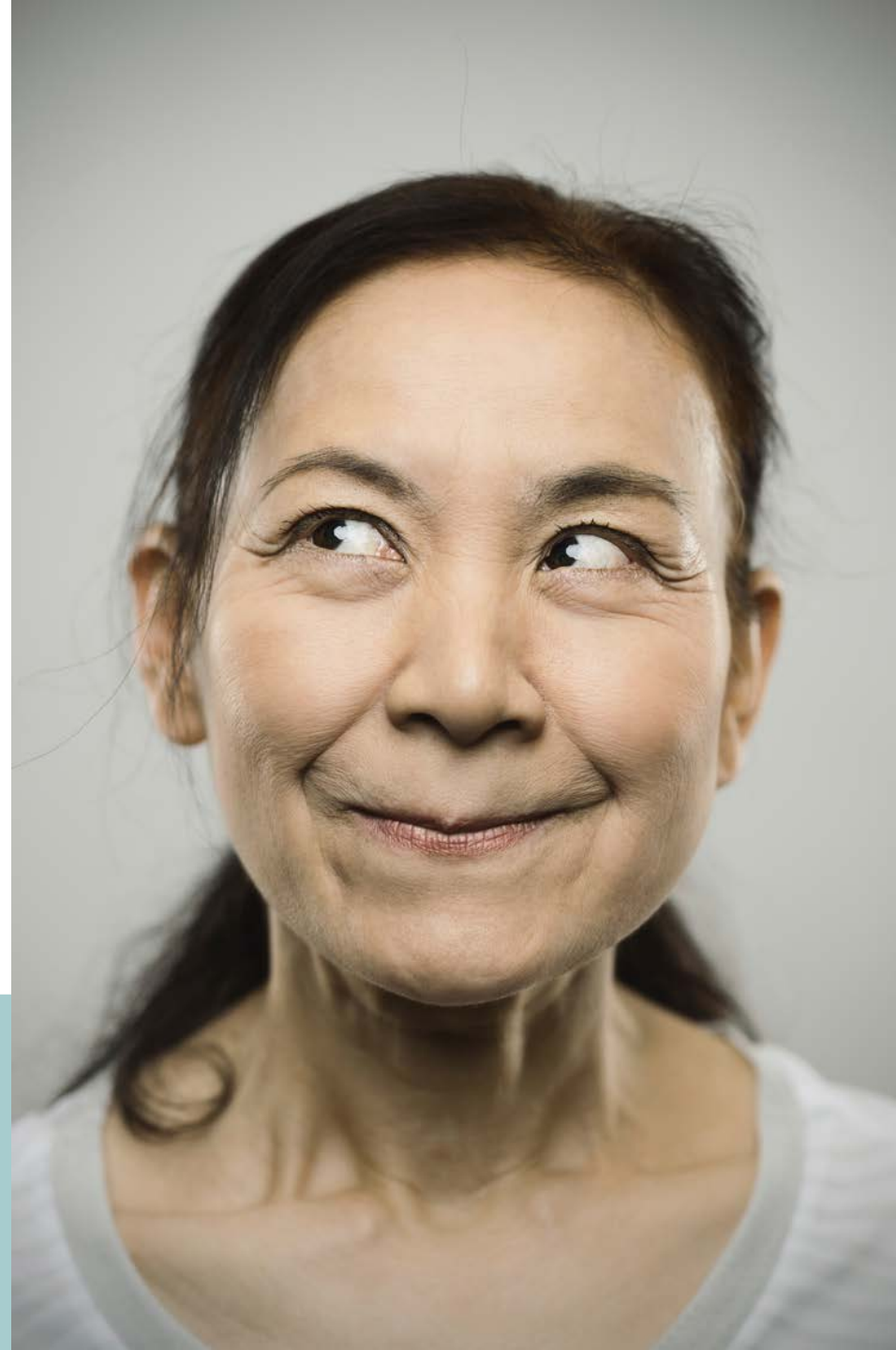
+/- 20 others at various stages of assessing policy alternatives



Washington's first-in-the-nation to launch retirement security initiative

The Retirement Marketplace is an online portal where small businesses and individuals comparison shop for low-cost retirement savings plans.

It's easy to use, informative and motivational.



A smiling woman with curly hair and large hoop earrings is the central focus of the background image. She is looking towards the camera. In the background, other office workers are visible, including a man with glasses and a woman, all in a professional setting.

Lorem Ipsum Dolor Sit Amet

Nunc tempus, ante ut hendrerit dictum, est nulla aliquet nibh, nec ultrices urna elit id nulla. Nam faucibus lacus vitae dui finibus, a eleifend sem porttitor.

Find Personal Plans

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Find Employer Plans

Maecenas volutpat ultricies sem, vel ullamcorper erat ullamcorper at. Ut vulputate velit id ligula commodo varius. Duis tincidunt orci sit amet.



Find a Retirement Plan in 4 Easy Steps

Leo lectus finibus velit, laoreet dignissim justo nibh ac justo. Pellentesque purus mi, mattis sed posuere ut.



Consensus Legislation ESSB 5826 (2015)

Creating Washington's Small Business Retirement Marketplace

- AARP Washington
- Economic Opportunity Institute
- Small Business Majority
- Securities Industry & Financial Markets Association (SIFMA)
- Russell Investments
- National Association of Insurance and Financial Advisors
- American Council of Life Insurers
- Washington Bankers Association



Washington's marketplace approach

- Small businesses, self-employed, sole-proprietors, individuals
- Voluntary
- No new regulation

Financial Services Firms

- Licensed or hold a certificate of authority
- Be in good standing
- Meet all federal laws and regulations
- Commerce **may not limit** or constrain industry entrants to the Marketplace.

Financial services product verification and approval is a 2-step Process

1. Get verified by a Washington State-based regulatory entity:

Department of Financial Institutions

- Initial verification process for firm and plans
- Annual renewal

Office of Insurance Commissioner

- Rates & Forms Filing: New form for carriers and products for the Marketplace.

2. Complete a simple application with Washington's Department of Commerce.

Status: The verification and application process opens THIS WEEK
as a continuous open process.



A marketplace of choices, the promise of low cost

Commerce will approve a diverse array of verified plan options:

- SIMPLE-IRA type plans where employer contributes
- 401(k)
- Payroll deduction IRA type of plan
- myRA
- Life insurance plans for the purposes of retirement

WAC 365-65-080 Limits on fees.

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.

Portability is a priority

Nothing in the Marketplace rules or statute shall be construed to limit rollovers, or the portability of an employee's retirement savings into or out of approved plans.

An approved plan must include the option for an enrollee to roll pretax contributions into a different individual retirement account or another eligible retirement plan in accordance with federal tax laws providing for tax free rollovers after ceasing participation in the approved plan.

If we build it, will they come?

How will we know what
success looks like?

Will we know it when we see
it?

**What can we accomplish
in a voluntary system?**



Outreach to small businesses & working people





Homegrown champions

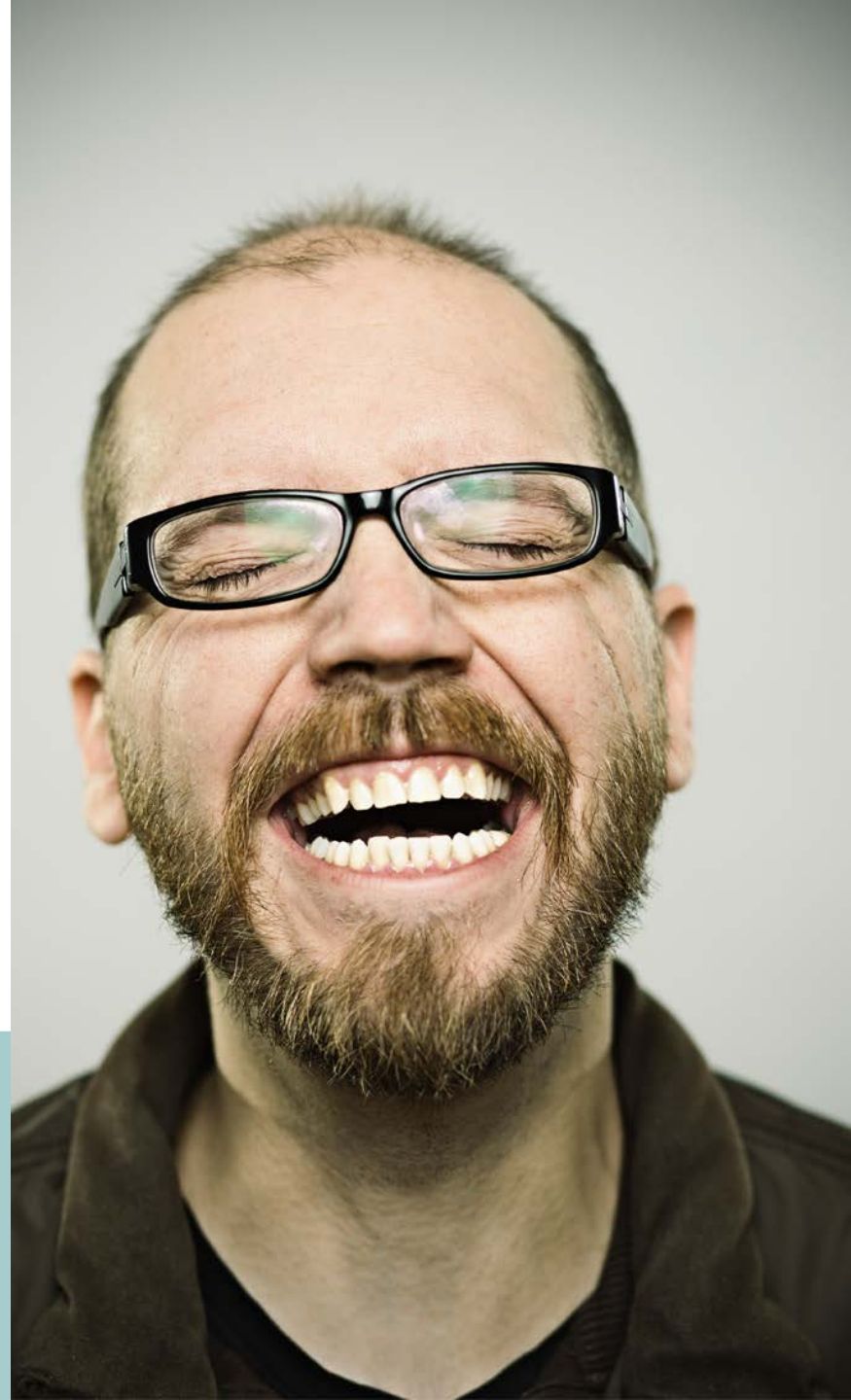
Financial services consultant – help us speak to industry

Co-branding/cross-promotional opportunities

Request for Information (RFI)

Cultivating working group of participants once launched

Engaging the financial services industry



Scalable and easy-to-adopt solution for public-private exchange

- Built on an intuitive content management platform
- Optimized to include a detailed decision path
- Has the ability to compare products
- Can be modified to fit a variety of content



**Launching
January 2017**



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