

WASHINGTON

Washington Creates New Retirement Savings Program

Washington has established a new automatic retirement savings program in the state, known as [Washington Saves](#), that is intended to benefit employees who do not have the opportunity to save for retirement through an employer-sponsored retirement plan. The legislation generally becomes effective June 6, 2024, with a program launch date of July 1, 2027.

Program Features

Similar to other state-facilitated retirement savings programs, Washington Saves will have a governing board to oversee the program and work with investment professionals to grow the automatic individual retirement account (IRA) investment pool. Eligible employees will be **automatically enrolled** in the IRA program and have a percentage of their paychecks invested on their behalf. Employees are not required to participate in the program and can pause or change their contributions at any time.

Employer Responsibilities

Covered employers will not be fiduciaries of, or liable for, the program and will not be able to contribute to it. Covered employers must fulfill the following administrative duties:

- ☑ Register with the program and provide relevant information about covered employees;
- ☑ Assist the program by offering covered employees the choice to either participate by contributing to the IRA or opt out, or automatically enroll them in a qualified retirement plan offered by a trade association or chamber of commerce and permit employees to opt out;
- ☑ Timely remit participant contributions; and
- ☑ Distribute program information and disclosures to covered employees.

Covered employers are defined as those who have been in business in the state for at least two years, maintain a physical presence in the state, employ those working a combined minimum of 10,400 hours and do not offer a qualified retirement plan to their covered employees who have been continuously employed for at least one year.

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Implementation Timeline

- Washington Saves is set to be launched by **July 1, 2027**.
- The governing board may stagger implementation in **stages** after that date, which may include phasing in implementation based on employer size or other factors.
- The governing board is required to conduct an outreach and education initiative in consultation with covered employers and employees regarding the design and implementation of the program.

The program is set to launch July 1, 2027, and may be implemented in stages after that based on employer size or other factors.