60% of Washington’s workforce aren’t covered

90,000 small businesses offer no retirement savings benefits

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

The Retirement Savings Gap Stinks!
The National Policy Continuum

The Retirement Marketplace is an online portal where small businesses and individuals comparison shop for low-cost, simple-to-use retirement savings plans. It’s easy to use, informative and motivational.
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 Model

- 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.
Verification and Approval is a 2-step Process

Department of Financial Institutions
• Initial verification process for firm and plans (currently in rulemaking)
• Annual renewal

Office of Insurance Commissioner
• Rates & Forms Filing: New form for carriers and products for the Marketplace.

Once verified, the firm completes a simple application with Commerce.
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!
Secure Your Financial Future

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Find Personal Plans

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Find Employer Plans

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Find a Retirement Plan in 4 Easy Steps

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FOR MORE INFORMATION
Small Business Retirement Marketplace

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#WashSBRM