

RCW 28A.400.250 Tax deferred annuities—Regulated company stock.

(1) The board of directors of any school district, the Washington state teachers' retirement system, the superintendent of public instruction, and educational service district superintendents are authorized to provide and pay for tax deferred annuities or regulated company stock held in a custodial account for their respective employees in lieu of a portion of salary or wages as authorized under the provisions of 26 U.S.C. section 403(b), as amended by Public Law 87-370, 75 Stat. 796, as now or hereafter amended. The superintendent of public instruction and educational service district superintendents, if eligible, may also be provided with such options.

(2) At the request of at least five employees, the employees' employer shall arrange for the:

(a) Purchase of tax deferred annuity contracts which meet the requirements of 26 U.S.C. section 403(b), as now or hereafter amended, for the employees from any company the employees may choose that is authorized to do business in this state through a Washington-licensed insurance agent that the employees may select; or

(b) Payment to a custodial account for investment in the stock of a regulated investment company as defined in 26 U.S.C. section 403(b) (7) (c).

(3) Payroll deductions shall be made in accordance with the arrangements for the purpose of paying the entire premium due and to become due under the contracts. Employees' rights under the annuity contract are nonforfeitable except for the failure to pay premiums.

(4) The board of directors of any school district, the Washington state teachers' retirement system, the superintendent of public instruction, and educational service district superintendents shall not restrict, except as provided in this section, employees' right to select the tax deferred annuity of their choice, the regulated company stock held in a custodial account, or the agent, broker, or company licensed by the state of Washington through which the tax deferred annuity or regulated company stock is placed or purchased, and shall not place limitations on the time or place that the employees make the selection.

(5) The board of directors of any school district, the Washington state teachers' retirement system, the superintendent of public instruction, and educational service district superintendents may each adopt rules regulating the sale of tax deferred annuities or regulated company stock held in a custodial account which: (a) Prohibit solicitation of employees for the purposes of selling tax deferred annuities or regulated company stock held in a custodial account on school premises during normal school hours; (b) only permit the solicitation of tax deferred annuities or regulated company stock held in a custodial account by agents, brokers, and companies licensed by the state of Washington; and (c) require participating companies to execute reasonable agreements protecting the respective employers from any liability attendant to procuring tax deferred annuities or regulated company stock held in a custodial account. [2010 c 41 s 1; 1984 c 228 s 1; 1975 1st ex.s. c 275 s 113; 1971 c 48 s 31; 1969 c 97 s 2; 1969 ex.s. c 223 s 28A.58.560. Prior: 1965 c 54 s 1, part. Formerly RCW 28A.58.560, 28.02.120, part.]

Severability—1971 c 48: See note following RCW 28A.310.250.