

CERTIFICATION OF ENROLLMENT

**ENGROSSED SENATE BILL 6380**

57th Legislature  
2002 Regular Session

Passed by the Senate March 11, 2002  
YEAS 44 NAYS 0

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**President of the Senate**

Passed by the House March 8, 2002  
YEAS 90 NAYS 6

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**Speaker of the  
House of Representatives**

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 6380** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

Approved

FILED

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Governor of the State of Washington

**Secretary of State  
State of Washington**

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ENGROSSED SENATE BILL 6380

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AS AMENDED BY THE HOUSE

Passed Legislature - 2002 Regular Session

State of Washington                      57th Legislature                      2002 Regular Session

By Senators Winsley, Fraser, Carlson, Spanel, Jacobsen, Regala, Rasmussen, McAuliffe and Kohl-Welles; by request of Joint Committee on Pension Policy

Read first time 01/16/2002. Referred to Committee on Ways & Means.

1            AN ACT Relating to creating new survivor benefit division options  
2 for divorced members of the law enforcement officers' and fire  
3 fighters' retirement system, the teachers' retirement system, the  
4 school employees' retirement system, the public employees' retirement  
5 system, and the Washington state patrol retirement system; amending RCW  
6 41.26.160, 41.26.161, 41.26.162, 41.50.670, 41.50.700, 41.26.460,  
7 41.32.530, 41.32.785, 41.32.851, 41.35.220, 41.40.188, 41.40.660,  
8 41.40.845, 43.43.270, and 43.43.271; and adding a new section to  
9 chapter 41.26 RCW.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

11            **Sec. 1.** RCW 41.26.160 and 1999 c 134 s 2 are each amended to read  
12 as follows:

13            (1) In the event of the duty connected death of any member who is  
14 in active service, or who has vested under the provisions of RCW  
15 41.26.090 with twenty or more service credit years of service, or who  
16 is on duty connected disability leave or retired for duty connected  
17 disability, the surviving spouse shall become entitled, subject to RCW  
18 41.26.162(2), to receive a monthly allowance equal to fifty percent of  
19 the final average salary at the date of death if active, or the amount

1 of retirement allowance the vested member would have received at age  
2 fifty, or the amount of the retirement allowance such retired member  
3 was receiving at the time of death if retired for duty connected  
4 disability. The amount of this allowance will be increased five  
5 percent of final average salary for each child as defined in RCW  
6 41.26.030(7), subject to a maximum combined allowance of sixty percent  
7 of final average salary: PROVIDED, That if the child or children is or  
8 are in the care of a legal guardian, payment of the increase  
9 attributable to each child will be made to the child's legal guardian  
10 or, in the absence of a legal guardian and if the member has created a  
11 trust for the benefit of the child or children, payment of the increase  
12 attributable to each child will be made to the trust.

13 (2) If at the time of the duty connected death of a vested member  
14 with twenty or more service credit years of service as provided in  
15 subsection (1) of this section or a member retired for duty connected  
16 disability, the surviving spouse has not been lawfully married to such  
17 member for one year prior to retirement or separation from service if  
18 a vested member, the surviving spouse shall not be eligible to receive  
19 the benefits under this section: PROVIDED, That if a member dies as a  
20 result of a disability incurred in the line of duty, then if he or she  
21 was married at the time he or she was disabled, the surviving spouse  
22 shall be eligible to receive the benefits under this section.

23 (3) If there be no surviving spouse eligible to receive benefits at  
24 the time of such member's duty connected death, then the child or  
25 children of such member shall receive a monthly allowance equal to  
26 thirty percent of final average salary for one child and an additional  
27 ten percent for each additional child subject to a maximum combined  
28 payment, under this subsection, of sixty percent of final average  
29 salary. When there cease to be any eligible children as defined in RCW  
30 41.26.030(7), there shall be paid to the legal heirs of the member the  
31 excess, if any, of accumulated contributions of the member at the time  
32 of death over all payments made to survivors on his or her behalf under  
33 this chapter: PROVIDED, That payments under this subsection to  
34 children shall be prorated equally among the children, if more than  
35 one. If the member has created a trust for the benefit of the child or  
36 children, the payment shall be made to the trust.

37 (4) In the event that there is no surviving spouse eligible to  
38 receive benefits under this section, and that there be no child or

1 children eligible to receive benefits under this section, then the  
2 accumulated contributions shall be paid to the estate of the member.

3 (5) If a surviving spouse receiving benefits under this section  
4 remarries after the effective date of this act, the surviving spouse  
5 shall continue to receive the benefits under this section.

6 (6) If a surviving spouse receiving benefits under the provisions  
7 of this section thereafter dies and there are children as defined in  
8 RCW 41.26.030(7), payment to the spouse shall cease and the child or  
9 children shall receive the benefits as provided in subsection (3) of  
10 this section.

11 (~~(6)~~) (7) The payment provided by this section shall become due  
12 the day following the date of death and payments shall be retroactive  
13 to that date.

14 **Sec. 2.** RCW 41.26.161 and 1999 c 134 s 3 are each amended to read  
15 as follows:

16 (1) In the event of the nonduty connected death of any member who  
17 is in active service, or who has vested under the provisions of RCW  
18 41.26.090 with twenty or more service credit years of service, or who  
19 is on disability leave or retired, whether for nonduty connected  
20 disability or service, the surviving spouse shall become entitled,  
21 subject to RCW 41.26.162(2), to receive a monthly allowance equal to  
22 fifty percent of the final average salary at the date of death if  
23 active, or the amount of retirement allowance the vested member would  
24 have received at age fifty, or the amount of the retirement allowance  
25 such retired member was receiving at the time of death if retired for  
26 service or nonduty connected disability. The amount of this allowance  
27 will be increased five percent of final average salary for each child  
28 as defined in RCW 41.26.030(7), subject to a maximum combined allowance  
29 of sixty percent of final average salary: PROVIDED, That if the child  
30 or children is or are in the care of a legal guardian, payment of the  
31 increase attributable to each child will be made to the child's legal  
32 guardian or, in the absence of a legal guardian and if the member has  
33 created a trust for the benefit of the child or children, payment of  
34 the increase attributable to each child will be made to the trust.

35 (2) If at the time of the death of a vested member with twenty or  
36 more service credit years of service as provided in subsection (1) of  
37 this section or a member retired for service or disability, the  
38 surviving spouse has not been lawfully married to such member for one

1 year prior to retirement or separation from service if a vested member,  
2 the surviving spouse shall not be eligible to receive the benefits  
3 under this section.

4 (3) If there be no surviving spouse eligible to receive benefits at  
5 the time of such member's death, then the child or children of such  
6 member shall receive a monthly allowance equal to thirty percent of  
7 final average salary for one child and an additional ten percent for  
8 each additional child subject to a maximum combined payment, under this  
9 subsection, of sixty percent of final average salary. When there cease  
10 to be any eligible children as defined in RCW 41.26.030(7), there shall  
11 be paid to the legal heirs of the member the excess, if any, of  
12 accumulated contributions of the member at the time of death over all  
13 payments made to survivors on his or her behalf under this chapter:  
14 PROVIDED, That payments under this subsection to children shall be  
15 prorated equally among the children, if more than one. If the member  
16 has created a trust for the benefit of the child or children, the  
17 payment shall be made to the trust.

18 (4) In the event that there is no surviving spouse eligible to  
19 receive benefits under this section, and that there be no child or  
20 children eligible to receive benefits under this section, then the  
21 accumulated contributions shall be paid to the estate of said member.

22 (5) If a surviving spouse receiving benefits under this section  
23 remarries after the effective date of this act, the surviving spouse  
24 shall continue to receive the benefits under this section.

25 (6) If a surviving spouse receiving benefits under the provisions  
26 of this section thereafter dies and there are children as defined in  
27 RCW 41.26.030(7), payment to the spouse shall cease and the child or  
28 children shall receive the benefits as provided in subsection (3) of  
29 this section.

30 (~~((6))~~) (7) The payment provided by this section shall become due  
31 the day following the date of death and payments shall be retroactive  
32 to that date.

33 **Sec. 3.** RCW 41.26.162 and 1991 sp.s. c 12 s 2 are each amended to  
34 read as follows:

35 (1)(a) An ex spouse of a law enforcement officers' and fire  
36 fighters' retirement system retiree shall qualify as surviving spouse  
37 under RCW 41.26.160 if the ex spouse:

1       (~~(a)~~) (i) Has been provided benefits under any currently  
2 effective court decree of dissolution or legal separation or in any  
3 court order or court-approved property settlement agreement incident to  
4 any court decree of dissolution or legal separation entered after the  
5 member's retirement and prior to December 31, 1979; and

6       (~~(b)~~) (ii) Was married to the retiree for at least thirty years,  
7 including at least twenty years prior to the member's retirement or  
8 separation from service if a vested member.

9       (~~(2)~~) (b) If two or more persons are eligible for a surviving  
10 spouse benefit under this subsection, benefits shall be divided between  
11 the surviving spouses based on the percentage of total service credit  
12 the member accrued during each marriage.

13       (~~(3)~~) (c) This (~~section~~) subsection shall apply retroactively.

14       (2)(a) An ex spouse of a law enforcement officers' and fire  
15 fighters' retirement system plan 1 retiree who:

16       (i) Divorces the member before separation from service; and

17       (ii) Entered into the court order or court-approved property  
18 settlement agreement incident to the divorce of the member and ex  
19 spouse after July 1, 2003;

20 may be awarded a portion of the member's benefit and a portion of any  
21 spousal survivor's benefit pursuant to RCW 41.26.160 or 41.26.161 after  
22 the member's death if specified in the court order or court-approved  
23 property settlement.

24       (b) This subsection shall not apply retroactively.

25       (3)(a) An ex spouse of a law enforcement officers' and fire  
26 fighters' retirement system plan 1 member with at least thirty years of  
27 service who:

28       (i) Divorced the member after being married to the member for at  
29 least twenty-five years; and

30       (ii) Entered into a court order or court-approved property  
31 settlement agreement incident to the divorce that awarded a portion of  
32 the member's benefits to the ex spouse after the effective date of this  
33 act;

34 shall continue to receive that portion of the member's benefit after  
35 the member's death as if the member was still alive.

36       (b) This subsection shall apply only to a divorce entered into  
37 after January 1, 1997. However, no payments shall be made to an ex  
38 spouse of a deceased member qualifying under this subsection for any  
39 period prior to the effective date of this section.

1        NEW SECTION.    **Sec. 4.**    A new section is added to chapter 41.26 RCW  
2 under subchapter heading "plan 1" to read as follows:

3        (1) No later than July 1, 2003, the department shall adopt rules to  
4 allow a member who meets the criteria set forth in subsection (2) of  
5 this section to choose an actuarially equivalent benefit that pays the  
6 member a reduced retirement allowance and upon death, such portion of  
7 the member's reduced retirement allowance as the department by rule  
8 designates shall be continued throughout the life of a spouse  
9 ineligible for survivor benefits under RCW 41.26.160 or 41.26.161.

10        (2) To choose an actuarially equivalent benefit according to  
11 subsection (1) of this section, a member shall:

12        (a) Have the retirement allowance payable to the retiree not  
13 subject to periodic payments pursuant to a property division obligation  
14 as provided for in RCW 41.50.670;

15        (b) Have no qualified ex spouse under RCW 41.26.162(1); and

16        (c) Choose an actuarially reduced benefit during a one-year period  
17 beginning one year after the date of marriage to the survivor benefit-  
18 ineligible spouse.

19        (3) A member who married a spouse ineligible for survivor benefits  
20 under RCW 41.26.160 or 41.26.161 prior to the effective date of the  
21 rules adopted under this section and satisfies the conditions of  
22 subsection (2)(a) and (b) of this section has one year to designate  
23 their spouse as a survivor beneficiary following the adoption of the  
24 rules.

25        (4) No benefit provided to a child survivor beneficiary under RCW  
26 41.26.160 or 41.26.161 is affected or reduced by the member's selection  
27 of the actuarially reduced spousal survivor benefit provided by this  
28 section.

29        (5)(a) Any member who chose to receive a reduced retirement  
30 allowance under subsection (1) of this section is entitled to receive  
31 a retirement allowance adjusted in accordance with (b) of this  
32 subsection if:

33        (i) The retiree's survivor spouse designated in subsection (1) of  
34 this section predeceases the retiree; and

35        (ii) The retiree provides to the department proper proof of the  
36 designated beneficiary's death.

37        (b) The retirement allowance payable to the retiree from the  
38 beginning of the month following the date of the beneficiaries death  
39 shall be increased by the following:

- 1 (i) One hundred percent multiplied by the result of (b)(ii) of this  
2 subsection converted to a percent;
- 3 (ii) Subtract one from the reciprocal of the appropriate joint and  
4 survivor option factor.

5 **Sec. 5.** RCW 41.50.670 and 1998 c 341 s 513 are each amended to  
6 read as follows:

7 (1) Nothing in this chapter regarding mandatory assignment of  
8 benefits to enforce a spousal maintenance obligation shall abridge the  
9 right of an obligee to direct payments of retirement benefits to  
10 satisfy a property division obligation ordered pursuant to a court  
11 decree of dissolution or legal separation or any court order or court-  
12 approved property settlement agreement incident to any court decree of  
13 dissolution or legal separation as provided in RCW 2.10.180, 2.12.090,  
14 41.04.310, 41.04.320, 41.04.330, 41.26.053, 41.26.162, 41.32.052,  
15 41.35.100, 41.34.070(~~((+3))~~) (4), 41.40.052, 43.43.310, or 26.09.138, as  
16 those statutes existed before July 1, 1987, and as those statutes exist  
17 on and after July 28, 1991. The department shall pay benefits under  
18 this chapter in a lump sum or as a portion of periodic retirement  
19 payments as expressly provided by the dissolution order. A dissolution  
20 order may not order the department to pay a periodic retirement payment  
21 or lump sum unless that payment is specifically authorized under the  
22 provisions of chapter 2.10, 2.12, 41.26, 41.32, 41.35, 41.34, 41.40, or  
23 43.43 RCW, as applicable.

24 (2) The department shall pay directly to an obligee the amount of  
25 periodic retirement payments or lump sum payment, as appropriate,  
26 specified in the dissolution order if the dissolution order filed with  
27 the department pursuant to subsection (1) of this section includes a  
28 provision that states in the following form:

29 If . . . . . (the obligor) receives periodic retirement payments  
30 as defined in RCW 41.50.500, the department of retirement systems shall  
31 pay to . . . . . (the obligee) . . . . . dollars from such payments  
32 or . . . percent of such payments. If the obligor's debt is expressed  
33 as a percentage of his or her periodic retirement payment and the  
34 obligee does not have a survivorship interest in the obligor's benefit,  
35 the amount received by the obligee shall be the percentage of the  
36 periodic retirement payment that the obligor would have received had he  
37 or she selected a standard allowance.

1 If . . . . . (the obligor) requests or has requested a withdrawal  
2 of accumulated contributions as defined in RCW 41.50.500, or becomes  
3 eligible for a lump sum death benefit, the department of retirement  
4 systems shall pay to . . . . . (the obligee) . . . . . dollars plus  
5 interest at the rate paid by the department of retirement systems on  
6 member contributions. Such interest to accrue from the date of this  
7 order's entry with the court of record.

8 (3) This section does not require a member to select a standard  
9 allowance upon retirement nor does it require the department to  
10 recalculate the amount of a retiree's periodic retirement payment based  
11 on a change in survivor option.

12 (4) A court order under this section may not order the department  
13 to pay more than seventy-five percent of an obligor's periodic  
14 retirement payment to an obligee.

15 (5) Persons whose court decrees were entered between July 1, 1987,  
16 and July 28, 1991, shall also be entitled to receive direct payments of  
17 retirement benefits to satisfy court-ordered property divisions if the  
18 dissolution orders comply or are modified to comply with this section  
19 and RCW 41.50.680 through 41.50.720 and, as applicable, RCW 2.10.180,  
20 2.12.090, 41.26.053, 41.32.052, 41.35.100, 41.34.070, 41.40.052,  
21 43.43.310, and 26.09.138.

22 (6) The obligee must file a copy of the dissolution order with the  
23 department within ninety days of that order's entry with the court of  
24 record.

25 (7) A division of benefits pursuant to a dissolution order under  
26 this section shall be based upon the obligor's gross benefit prior to  
27 any deductions. If the department is required to withhold a portion of  
28 the member's benefit pursuant to 26 U.S.C. Sec. 3402 and the sum of  
29 that amount plus the amount owed to the obligee exceeds the total  
30 benefit, the department shall satisfy the withholding requirements  
31 under 26 U.S.C. Sec. 3402 and then pay the remainder to the obligee.  
32 The provisions of this subsection do not apply to amounts withheld  
33 pursuant to 26 U.S.C. Sec. 3402(i).

34 **Sec. 6.** RCW 41.50.700 and 1991 c 365 s 16 are each amended to read  
35 as follows:

36 (1) Except under subsection (3) of this section, the department's  
37 obligation to provide direct payment of a property division obligation  
38 to an obligee under RCW 41.50.670 shall cease upon the death of the

1 obligee or upon the death of the obligor, whichever comes first.  
2 However, if an obligor dies and is eligible for a lump sum death  
3 benefit, the department shall be obligated to provide direct payment to  
4 the obligee of all or a portion of the withdrawal of accumulated  
5 contributions pursuant to a court order that complies with RCW  
6 41.50.670.

7 (2) The direct payment of a property division obligation to an  
8 obligee under RCW 41.50.670 shall be paid as a deduction from the  
9 member's periodic retirement payment. An obligee may not direct the  
10 department to withhold any funds from such payment.

11 (3) The department's obligation to provide direct payment to a  
12 nonmember ex spouse from a preretirement divorce meeting the criteria  
13 of RCW 41.26.162(2) or 43.43.270(2) may continue for the life of the  
14 member's surviving spouse qualifying for benefits under RCW 41.26.160,  
15 41.26.161, or 43.43.270(2). Upon the death of the member's surviving  
16 spouse qualifying for benefits under RCW 41.26.160, 41.26.161, or  
17 43.43.270(2), the department's obligation under this subsection shall  
18 cease. The department's obligation to provide direct payment to a  
19 nonmember ex spouse qualifying for a continued split benefit payment  
20 under RCW 41.26.162(3) shall continue for the life of that nonmember ex  
21 spouse.

22 **Sec. 7.** RCW 41.26.460 and 2000 c 186 s 1 are each amended to read  
23 as follows:

24 (1) Upon retirement for service as prescribed in RCW 41.26.430 or  
25 disability retirement under RCW 41.26.470, a member shall elect to have  
26 the retirement allowance paid pursuant to the following options,  
27 calculated so as to be actuarially equivalent to each other.

28 (a) Standard allowance. A member electing this option shall  
29 receive a retirement allowance payable throughout such member's life.  
30 However, if the retiree dies before the total of the retirement  
31 allowance paid to such retiree equals the amount of such retiree's  
32 accumulated contributions at the time of retirement, then the balance  
33 shall be paid to the member's estate, or such person or persons, trust,  
34 or organization as the retiree shall have nominated by written  
35 designation duly executed and filed with the department; or if there be  
36 no such designated person or persons still living at the time of the  
37 retiree's death, then to the surviving spouse; or if there be neither

1 such designated person or persons still living at the time of death nor  
2 a surviving spouse, then to the retiree's legal representative.

3 (b) The department shall adopt rules that allow a member to select  
4 a retirement option that pays the member a reduced retirement allowance  
5 and upon death, such portion of the member's reduced retirement  
6 allowance as the department by rule designates shall be continued  
7 throughout the life of and paid to a designated person. Such person  
8 shall be nominated by the member by written designation duly executed  
9 and filed with the department at the time of retirement. The options  
10 adopted by the department shall include, but are not limited to, a  
11 joint and one hundred percent survivor option and a joint and fifty  
12 percent survivor option.

13 (2)(a) A member, if married, must provide the written consent of  
14 his or her spouse to the option selected under this section, except as  
15 provided in (b) of this subsection. If a member is married and both  
16 the member and member's spouse do not give written consent to an option  
17 under this section, the department will pay the member a joint and  
18 fifty percent survivor benefit and record the member's spouse as the  
19 beneficiary. Such benefit shall be calculated to be actuarially  
20 equivalent to the benefit options available under subsection (1) of  
21 this section unless spousal consent is not required as provided in (b)  
22 of this subsection.

23 (b) If a copy of a dissolution order designating a survivor  
24 beneficiary under RCW 41.50.790 has been filed with the department at  
25 least thirty days prior to a member's retirement:

26 (i) The department shall honor the designation as if made by the  
27 member under subsection (1) of this section; and

28 (ii) The spousal consent provisions of (a) of this subsection do  
29 not apply.

30 (3)(a) Any member who retired before January 1, 1996, and who  
31 elected to receive a reduced retirement allowance under subsection  
32 (1)(b) or (2) of this section is entitled to receive a retirement  
33 allowance adjusted in accordance with (b) of this subsection, if they  
34 meet the following conditions:

35 (i) The retiree's designated beneficiary predeceases or has  
36 predeceased the retiree; and

37 (ii) The retiree provides to the department proper proof of the  
38 designated beneficiary's death.

1 (b) The retirement allowance payable to the retiree, as of July 1,  
2 1998, or the date of the designated beneficiary's death, whichever  
3 comes last, shall be increased by the percentage derived in (c) of this  
4 subsection.

5 (c) The percentage increase shall be derived by the following:

6 (i) One hundred percent multiplied by the result of (c)(ii) of this  
7 subsection converted to a percent;

8 (ii) Subtract one from the reciprocal of the appropriate joint and  
9 survivor option factor;

10 (iii) The joint and survivor option factor shall be from the table  
11 in effect as of July 1, 1998.

12 (d) The adjustment under (b) of this subsection shall accrue from  
13 the beginning of the month following the date of the designated  
14 beneficiary's death or from July 1, 1998, whichever comes last.

15 (4) No later than July 1, 2001, the department shall adopt rules  
16 that allow a member additional actuarially equivalent survivor benefit  
17 options, and shall include, but are not limited to:

18 (a)(i) A retired member who retired without designating a survivor  
19 beneficiary shall have the opportunity to designate their spouse from  
20 a postretirement marriage as a survivor during a one-year period  
21 beginning one year after the date of the postretirement marriage  
22 provided the retirement allowance payable to the retiree is not subject  
23 to periodic payments pursuant to a property division obligation as  
24 provided for in RCW 41.50.670.

25 (ii) A member who entered into a postretirement marriage prior to  
26 the effective date of the rules adopted pursuant to this subsection and  
27 satisfies the conditions of (a)(i) of this subsection shall have one  
28 year to designate their spouse as a survivor beneficiary following the  
29 adoption of the rules.

30 (b) A retired member who elected to receive a reduced retirement  
31 allowance under this section and designated a nonspouse as survivor  
32 beneficiary shall have the opportunity to remove the survivor  
33 designation and have their future benefit adjusted.

34 (c) The department may make an additional charge, if necessary, to  
35 ensure that the benefits provided under this subsection remain  
36 actuarially equivalent.

37 (5) No later than July 1, 2003, the department shall adopt rules to  
38 permit:

1 (a) A court-approved property settlement incident to a court decree  
2 of dissolution made before retirement to provide that benefits payable  
3 to a member who meets the length of service requirements of RCW  
4 41.26.530(1) and the member's divorcing spouse be divided into two  
5 separate benefits payable over the life of each spouse.

6 The member shall have available the benefit options of subsection  
7 (1) of this section upon retirement, and if remarried at the time of  
8 retirement remains subject to the spousal consent requirements of  
9 subsection (2) of this section. Any reductions of the member's benefit  
10 subsequent to the division into two separate benefits shall be made  
11 solely to the separate benefit of the member.

12 The nonmember ex spouse shall be eligible to commence receiving  
13 their separate benefit upon reaching the ages provided in RCW 41.26.430  
14 and after filing a written application with the department.

15 (b) A court-approved property settlement incident to a court decree  
16 of dissolution made after retirement may only divide the benefit into  
17 two separate benefits payable over the life of each spouse if the  
18 nonmember ex spouse was selected as a survivor beneficiary at  
19 retirement.

20 The retired member may later choose the survivor benefit options  
21 available in subsection (4) of this section. Any actuarial reductions  
22 subsequent to the division into two separate benefits shall be made  
23 solely to the separate benefit of the member.

24 Both the retired member and the nonmember divorced spouse shall be  
25 eligible to commence receiving their separate benefits upon filing a  
26 copy of the dissolution order with the department in accordance with  
27 RCW 41.50.670.

28 (c) The department may make an additional charge or adjustment if  
29 necessary to ensure that the separate benefits provided under this  
30 subsection are actuarially equivalent to the benefits payable prior to  
31 the decree of dissolution.

32 **Sec. 8.** RCW 41.32.530 and 2000 c 186 s 2 are each amended to read  
33 as follows:

34 (1) Upon an application for retirement for service under RCW  
35 41.32.480 or retirement for disability under RCW 41.32.550, approved by  
36 the department, every member shall receive the maximum retirement  
37 allowance available to him or her throughout life unless prior to the  
38 time the first installment thereof becomes due he or she has elected,

1 by executing the proper application therefor, to receive the actuarial  
2 equivalent of his or her retirement allowance in reduced payments  
3 throughout his or her life with the following options:

4 (a) Standard allowance. If he or she dies before he or she has  
5 received the present value of his or her accumulated contributions at  
6 the time of his or her retirement in annuity payments, the unpaid  
7 balance shall be paid to his or her estate or to such person, trust, or  
8 organization as he or she shall have nominated by written designation  
9 executed and filed with the department.

10 (b) The department shall adopt rules that allow a member to select  
11 a retirement option that pays the member a reduced retirement allowance  
12 and upon death, such portion of the member's reduced retirement  
13 allowance as the department by rule designates shall be continued  
14 throughout the life of and paid to a person who has an insurable  
15 interest in the member's life. Such person shall be nominated by the  
16 member by written designation duly executed and filed with the  
17 department at the time of retirement. The options adopted by the  
18 department shall include, but are not limited to, a joint and one  
19 hundred percent survivor option and a joint and fifty percent survivor  
20 option.

21 (c) Such other benefits shall be paid to a member receiving a  
22 retirement allowance under RCW 41.32.497 as the member may designate  
23 for himself, herself, or others equal to the actuarial value of his or  
24 her retirement annuity at the time of his retirement: PROVIDED, That  
25 the board of trustees shall limit withdrawals of accumulated  
26 contributions to such sums as will not reduce the member's retirement  
27 allowance below one hundred and twenty dollars per month.

28 (d) A member whose retirement allowance is calculated under RCW  
29 41.32.498 may also elect to receive a retirement allowance based on  
30 options available under this subsection that includes the benefit  
31 provided under RCW 41.32.770. This retirement allowance option shall  
32 also be calculated so as to be actuarially equivalent to the maximum  
33 retirement allowance and to the options available under this  
34 subsection.

35 (2)(a) A member, if married, must provide the written consent of  
36 his or her spouse to the option selected under this section, except as  
37 provided in (b) of this subsection. If a member is married and both  
38 the member and the member's spouse do not give written consent to an  
39 option under this section, the department will pay the member a joint

1 and fifty percent survivor benefit and record the member's spouse as  
2 the beneficiary. Such benefit shall be calculated to be actuarially  
3 equivalent to the benefit options available under subsection (1) of  
4 this section unless spousal consent is not required as provided in (b)  
5 of this subsection.

6 (b) If a copy of a dissolution order designating a survivor  
7 beneficiary under RCW 41.50.790 has been filed with the department at  
8 least thirty days prior to a member's retirement:

9 (i) The department shall honor the designation as if made by the  
10 member under subsection (1) of this section; and

11 (ii) The spousal consent provisions of (a) of this subsection do  
12 not apply.

13 (3)(a) Any member who retired before January 1, 1996, and who  
14 elected to receive a reduced retirement allowance under subsection  
15 (1)(b) or (2) of this section is entitled to receive a retirement  
16 allowance adjusted in accordance with (b) of this subsection, if they  
17 meet the following conditions:

18 (i) The retiree's designated beneficiary predeceases or has  
19 predeceased the retiree; and

20 (ii) The retiree provides to the department proper proof of the  
21 designated beneficiary's death.

22 (b) The retirement allowance payable to the retiree, as of July 1,  
23 1998, or the date of the designated beneficiary's death, whichever  
24 comes last, shall be increased by the percentage derived in (c) of this  
25 subsection.

26 (c) The percentage increase shall be derived by the following:

27 (i) One hundred percent multiplied by the result of (c)(ii) of this  
28 subsection converted to a percent;

29 (ii) Subtract one from the reciprocal of the appropriate joint and  
30 survivor option factor;

31 (iii) The joint and survivor option factor shall be from the table  
32 in effect as of July 1, 1998.

33 (d) The adjustment under (b) of this subsection shall accrue from  
34 the beginning of the month following the date of the designated  
35 beneficiary's death or from July 1, 1998, whichever comes last.

36 (4) No later than July 1, 2001, the department shall adopt rules  
37 that allow a member additional actuarially equivalent survivor benefit  
38 options, and shall include, but are not limited to:

1 (a)(i) A retired member who retired without designating a survivor  
2 beneficiary shall have the opportunity to designate their spouse from  
3 a postretirement marriage as a survivor during a one-year period  
4 beginning one year after the date of the postretirement marriage  
5 provided the retirement allowance payable to the retiree is not subject  
6 to periodic payments pursuant to a property division obligation as  
7 provided for in RCW 41.50.670.

8 (ii) A member who entered into a postretirement marriage prior to  
9 the effective date of the rules adopted pursuant to this subsection and  
10 satisfies the conditions of (a)(i) of this subsection shall have one  
11 year to designate their spouse as a survivor beneficiary following the  
12 adoption of the rules.

13 (b) A retired member who elected to receive a reduced retirement  
14 allowance under this section and designated a nonspouse as survivor  
15 beneficiary shall have the opportunity to remove the survivor  
16 designation and have their future benefit adjusted.

17 (c) The department may make an additional charge, if necessary, to  
18 ensure that the benefits provided under this subsection remain  
19 actuarially equivalent.

20 (5) No later than July 1, 2003, the department shall adopt rules to  
21 permit:

22 (a) A court-approved property settlement incident to a court decree  
23 of dissolution made before retirement to provide that benefits payable  
24 to a member who meets the length of service requirements of RCW  
25 41.32.470 and the member's divorcing spouse be divided into two  
26 separate benefits payable over the life of each spouse.

27 The member shall have available the benefit options of subsection  
28 (1) of this section upon retirement, and if remarried at the time of  
29 retirement remains subject to the spousal consent requirements of  
30 subsection (2) of this section. Any reductions of the member's benefit  
31 subsequent to the division into two separate benefits shall be made  
32 solely to the separate benefit of the member.

33 The nonmember ex spouse shall be eligible to commence receiving  
34 their separate benefit upon reaching the age provided in RCW  
35 41.32.480(2) and after filing a written application with the  
36 department.

37 (b) A court-approved property settlement incident to a court decree  
38 of dissolution made after retirement may only divide the benefit into  
39 two separate benefits payable over the life of each spouse if the

1 nonmember ex spouse was selected as a survivor beneficiary at  
2 retirement.

3 The retired member may later choose the survivor benefit options  
4 available in subsection (4) of this section. Any actuarial reductions  
5 subsequent to the division into two separate benefits shall be made  
6 solely to the separate benefit of the member.

7 Both the retired member and the nonmember divorced spouse shall be  
8 eligible to commence receiving their separate benefits upon filing a  
9 copy of the dissolution order with the department in accordance with  
10 RCW 41.50.670.

11 (c) The separate single life benefits of the member and the  
12 nonmember ex spouse are not (i) subject to the minimum benefit  
13 provisions of RCW 41.32.4851, or (ii) the minimum benefit annual  
14 increase amount eligibility provisions of RCW 41.32.489 (2)(b) and  
15 (3)(a).

16 (d) The department may make an additional charge or adjustment if  
17 necessary to ensure that the separate benefits provided under this  
18 subsection are actuarially equivalent to the benefits payable prior to  
19 the decree of dissolution.

20 **Sec. 9.** RCW 41.32.785 and 2000 c 186 s 4 are each amended to read  
21 as follows:

22 (1) Upon retirement for service as prescribed in RCW 41.32.765 or  
23 retirement for disability under RCW 41.32.790, a member shall elect to  
24 have the retirement allowance paid pursuant to the following options,  
25 calculated so as to be actuarially equivalent to each other.

26 (a) Standard allowance. A member electing this option shall  
27 receive a retirement allowance payable throughout such member's life.  
28 However, if the retiree dies before the total of the retirement  
29 allowance paid to such retiree equals the amount of such retiree's  
30 accumulated contributions at the time of retirement, then the balance  
31 shall be paid to the member's estate, or such person or persons, trust,  
32 or organization as the retiree shall have nominated by written  
33 designation duly executed and filed with the department; or if there be  
34 no such designated person or persons still living at the time of the  
35 retiree's death, then to the surviving spouse; or if there be neither  
36 such designated person or persons still living at the time of death nor  
37 a surviving spouse, then to the retiree's legal representative.

1 (b) The department shall adopt rules that allow a member to select  
2 a retirement option that pays the member a reduced retirement allowance  
3 and upon death, such portion of the member's reduced retirement  
4 allowance as the department by rule designates shall be continued  
5 throughout the life of and paid to a designated person. Such person  
6 shall be nominated by the member by written designation duly executed  
7 and filed with the department at the time of retirement. The options  
8 adopted by the department shall include, but are not limited to, a  
9 joint and one hundred percent survivor option and a joint and fifty  
10 percent survivor option.

11 (2)(a) A member, if married, must provide the written consent of  
12 his or her spouse to the option selected under this section, except as  
13 provided in (b) of this subsection. If a member is married and both  
14 the member and member's spouse do not give written consent to an option  
15 under this section, the department will pay the member a joint and  
16 fifty percent survivor benefit and record the member's spouse as the  
17 beneficiary. Such benefit shall be calculated to be actuarially  
18 equivalent to the benefit options available under subsection (1) of  
19 this section unless spousal consent is not required as provided in (b)  
20 of this subsection.

21 (b) If a copy of a dissolution order designating a survivor  
22 beneficiary under RCW 41.50.790 has been filed with the department at  
23 least thirty days prior to a member's retirement:

24 (i) The department shall honor the designation as if made by the  
25 member under subsection (1) of this section; and

26 (ii) The spousal consent provisions of (a) of this subsection do  
27 not apply.

28 (3)(a) Any member who retired before January 1, 1996, and who  
29 elected to receive a reduced retirement allowance under subsection  
30 (1)(b) or (2) of this section is entitled to receive a retirement  
31 allowance adjusted in accordance with (b) of this subsection, if they  
32 meet the following conditions:

33 (i) The retiree's designated beneficiary predeceases or has  
34 predeceased the retiree; and

35 (ii) The retiree provides to the department proper proof of the  
36 designated beneficiary's death.

37 (b) The retirement allowance payable to the retiree, as of July 1,  
38 1998, or the date of the designated beneficiary's death, whichever

1 comes last, shall be increased by the percentage derived in (c) of this  
2 subsection.

3 (c) The percentage increase shall be derived by the following:

4 (i) One hundred percent multiplied by the result of (c)(ii) of this  
5 subsection converted to a percent;

6 (ii) Subtract one from the reciprocal of the appropriate joint and  
7 survivor option factor;

8 (iii) The joint and survivor option factor shall be from the table  
9 in effect as of July 1, 1998.

10 (d) The adjustment under (b) of this subsection shall accrue from  
11 the beginning of the month following the date of the designated  
12 beneficiary's death or from July 1, 1998, whichever comes last.

13 (4) No later than July 1, 2001, the department shall adopt rules  
14 that allow a member additional actuarially equivalent survivor benefit  
15 options, and shall include, but are not limited to:

16 (a)(i) A retired member who retired without designating a survivor  
17 beneficiary shall have the opportunity to designate their spouse from  
18 a postretirement marriage as a survivor during a one-year period  
19 beginning one year after the date of the postretirement marriage  
20 provided the retirement allowance payable to the retiree is not subject  
21 to periodic payments pursuant to a property division obligation as  
22 provided for in RCW 41.50.670.

23 (ii) A member who entered into a postretirement marriage prior to  
24 the effective date of the rules adopted pursuant to this subsection and  
25 satisfies the conditions of (a)(i) of this subsection shall have one  
26 year to designate their spouse as a survivor beneficiary following the  
27 adoption of the rules.

28 (b) A retired member who elected to receive a reduced retirement  
29 allowance under this section and designated a nonspouse as survivor  
30 beneficiary shall have the opportunity to remove the survivor  
31 designation and have their future benefit adjusted.

32 (c) The department may make an additional charge, if necessary, to  
33 ensure that the benefits provided under this subsection remain  
34 actuarially equivalent.

35 (5) No later than July 1, 2003, the department shall adopt rules to  
36 permit:

37 (a) A court-approved property settlement incident to a court decree  
38 of dissolution made before retirement to provide that benefits payable  
39 to a member who meets the length of service requirements of RCW

1 41.32.815 and the member's divorcing spouse be divided into two  
2 separate benefits payable over the life of each spouse.

3 The member shall have available the benefit options of subsection  
4 (1) of this section upon retirement, and if remarried at the time of  
5 retirement remains subject to the spousal consent requirements of  
6 subsection (2) of this section. Any reductions of the member's benefit  
7 subsequent to the division into two separate benefits shall be made  
8 solely to the separate benefit of the member.

9 The nonmember ex spouse shall be eligible to commence receiving  
10 their separate benefit upon reaching the age provided in RCW  
11 41.32.765(1) and after filing a written application with the  
12 department.

13 (b) A court-approved property settlement incident to a court decree  
14 of dissolution made after retirement may only divide the benefit into  
15 two separate benefits payable over the life of each spouse if the  
16 nonmember ex spouse was selected as a survivor beneficiary at  
17 retirement.

18 The retired member may later choose the survivor benefit options  
19 available in subsection (4) of this section. Any actuarial reductions  
20 subsequent to the division into two separate benefits shall be made  
21 solely to the separate benefit of the member.

22 Both the retired member and the nonmember divorced spouse shall be  
23 eligible to commence receiving their separate benefits upon filing a  
24 copy of the dissolution order with the department in accordance with  
25 RCW 41.50.670.

26 (c) The department may make an additional charge or adjustment if  
27 necessary to ensure that the separate benefits provided under this  
28 subsection are actuarially equivalent to the benefits payable prior to  
29 the decree of dissolution.

30 **Sec. 10.** RCW 41.32.851 and 2000 c 186 s 5 are each amended to read  
31 as follows:

32 (1) Upon retirement for service as prescribed in RCW 41.32.875 or  
33 retirement for disability under RCW 41.32.880, a member shall elect to  
34 have the retirement allowance paid pursuant to one of the following  
35 options, calculated so as to be actuarially equivalent to each other.

36 (a) Standard allowance. A member electing this option shall  
37 receive a retirement allowance payable throughout such member's life.  
38 Upon the death of the retired member, all benefits shall cease.

1 (b) The department shall adopt rules that allow a member to select  
2 a retirement option that pays the member a reduced retirement allowance  
3 and upon death, such portion of the member's reduced retirement  
4 allowance as the department by rule designates shall be continued  
5 throughout the life of and paid to such person or persons as the  
6 retiree shall have nominated by written designation duly executed and  
7 filed with the department at the time of retirement. The options  
8 adopted by the department shall include, but are not limited to, a  
9 joint and one hundred percent survivor option and joint and fifty  
10 percent survivor option.

11 ~~(2) ((A member, if married, must provide the written consent of his~~  
12 ~~or her spouse to the option selected under this section. If a member~~  
13 ~~is married and both the member and the member's spouse do not give~~  
14 ~~written consent to an option under this section, the department shall~~  
15 ~~pay a joint and fifty percent survivor benefit calculated to be~~  
16 ~~actuarially equivalent to the benefit options available under~~  
17 ~~subsection (1) of this section)) (a) A member, if married, must provide~~  
18 the written consent of his or her spouse to the option selected under  
19 this section, except as provided in (b) of this subsection. If a  
20 member is married and both the member and the member's spouse do not  
21 give written consent to an option under this section, the department  
22 shall pay a joint and fifty-percent survivor benefit calculated to be  
23 actuarially equivalent to the benefit options available under  
24 subsection (1) of this section unless spousal consent is not required  
25 as provided in (b) of this subsection.

26 (b) If a copy of a dissolution order designating a survivor  
27 beneficiary under RCW 41.50.790 has been filed with the department at  
28 least thirty days prior to a member's retirement:

29 (i) The department shall honor the designation as if made by the  
30 member under subsection (1) of this section; and

31 (ii) The spousal consent provisions of (a) of this subsection do  
32 not apply.

33 (3) No later than July 1, 2001, the department shall adopt rules  
34 that allow a member additional actuarially equivalent survivor benefit  
35 options, and shall include, but are not limited to:

36 (a)(i) A retired member who retired without designating a survivor  
37 beneficiary shall have the opportunity to designate their spouse from  
38 a postretirement marriage as a survivor during a one-year period  
39 beginning one year after the date of the postretirement marriage

1 provided the retirement allowance payable to the retiree is not subject  
2 to periodic payments pursuant to a property division obligation as  
3 provided for in RCW 41.50.670.

4 (ii) A member who entered into a postretirement marriage prior to  
5 the effective date of the rules adopted pursuant to this subsection and  
6 satisfies the conditions of (a)(i) of this subsection shall have one  
7 year to designate their spouse as a survivor beneficiary following the  
8 adoption of the rules.

9 (b) A retired member who elected to receive a reduced retirement  
10 allowance under this section and designated a nonspouse as survivor  
11 beneficiary shall have the opportunity to remove the survivor  
12 designation and have their future benefit adjusted.

13 (c) The department may make an additional charge, if necessary, to  
14 ensure that the benefits provided under this subsection remain  
15 actuarially equivalent.

16 (4) No later than July 1, 2003, the department shall adopt rules to  
17 permit:

18 (a) A court-approved property settlement incident to a court decree  
19 of dissolution made before retirement to provide that benefits payable  
20 to a member who meets the length of service requirements of RCW  
21 41.32.875(1) and the member's divorcing spouse be divided into two  
22 separate benefits payable over the life of each spouse.

23 The member shall have available the benefit options of subsection  
24 (1) of this section upon retirement, and if remarried at the time of  
25 retirement remains subject to the spousal consent requirements of  
26 subsection (2) of this section. Any reductions of the member's benefit  
27 subsequent to the division into two separate benefits shall be made  
28 solely to the separate benefit of the member.

29 The nonmember ex spouse shall be eligible to commence receiving  
30 their separate benefit upon reaching the age provided in RCW  
31 41.32.875(1) and after filing a written application with the  
32 department.

33 (b) A court-approved property settlement incident to a court decree  
34 of dissolution made after retirement may only divide the benefit into  
35 two separate benefits payable over the life of each spouse if the  
36 nonmember ex spouse was selected as a survivor beneficiary at  
37 retirement.

38 The retired member may later choose the survivor benefit options  
39 available in subsection (3) of this section. Any actuarial reductions

1 subsequent to the division into two separate benefits shall be made  
2 solely to the separate benefit of the member.

3 Both the retired member and the nonmember divorced spouse shall be  
4 eligible to commence receiving their separate benefits upon filing a  
5 copy of the dissolution order with the department in accordance with  
6 RCW 41.50.670.

7 (c) Any benefit distributed pursuant to chapter 41.31A RCW after  
8 the date of the dissolution order creating separate benefits for a  
9 member and nonmember ex spouse shall be paid solely to the member.

10 (d) The department may make an additional charge or adjustment if  
11 necessary to ensure that the separate benefits provided under this  
12 subsection are actuarially equivalent to the benefits payable prior to  
13 the decree of dissolution.

14 **Sec. 11.** RCW 41.35.220 and 2000 c 186 s 6 are each amended to read  
15 as follows:

16 (1) Upon retirement for service as prescribed in RCW 41.35.420 or  
17 41.35.680 or retirement for disability under RCW 41.35.440 or  
18 41.35.690, a member shall elect to have the retirement allowance paid  
19 pursuant to one of the following options, calculated so as to be  
20 actuarially equivalent to each other.

21 (a) Standard allowance. A member electing this option shall  
22 receive a retirement allowance payable throughout such member's life.  
23 (~~However,~~)

24 (i) For members of plan 2, if the retiree dies before the total of  
25 the retirement allowance paid to such retiree equals the amount of such  
26 retiree's accumulated contributions at the time of retirement, then the  
27 balance shall be paid to the member's estate, or such person or  
28 persons, trust, or organization as the retiree shall have nominated by  
29 written designation duly executed and filed with the department; or if  
30 there be no such designated person or persons still living at the time  
31 of the retiree's death, then to the surviving spouse; or if there be  
32 neither such designated person or persons still living at the time of  
33 death nor a surviving spouse, then to the retiree's legal  
34 representative.

35 (ii) For members of plan 3, upon the death of the retired member,  
36 the member's benefits shall cease.

37 (b) The department shall adopt rules that allow a member to select  
38 a retirement option that pays the member a reduced retirement allowance

1 and upon death, such portion of the member's reduced retirement  
2 allowance as the department by rule designates shall be continued  
3 throughout the life of and paid to a person nominated by the member by  
4 written designation duly executed and filed with the department at the  
5 time of retirement. The options adopted by the department shall  
6 include, but are not limited to, a joint and one hundred percent  
7 survivor option and a joint and fifty percent survivor option.

8 (2)(a) A member, if married, must provide the written consent of  
9 his or her spouse to the option selected under this section, except as  
10 provided in (b) of this subsection. If a member is married and both  
11 the member and the member's spouse do not give written consent to an  
12 option under this section, the department shall pay a joint and fifty  
13 percent survivor benefit calculated to be actuarially equivalent to the  
14 benefit options available under subsection (1) of this section unless  
15 spousal consent is not required as provided in (b) of this subsection.

16 (b) If a copy of a dissolution order designating a survivor  
17 beneficiary under RCW 41.50.790 has been filed with the department at  
18 least thirty days prior to a member's retirement:

19 (i) The department shall honor the designation as if made by the  
20 member under subsection (1) of this section; and

21 (ii) The spousal consent provisions of (a) of this subsection do  
22 not apply.

23 (3) No later than July 1, 2001, the department shall adopt rules  
24 that allow a member additional actuarially equivalent survivor benefit  
25 options, and shall include, but are not limited to:

26 (a)(i) A retired member who retired without designating a survivor  
27 beneficiary shall have the opportunity to designate their spouse from  
28 a postretirement marriage as a survivor during a one-year period  
29 beginning one year after the date of the postretirement marriage  
30 provided the retirement allowance payable to the retiree is not subject  
31 to periodic payments pursuant to a property division obligation as  
32 provided for in RCW 41.50.670.

33 (ii) A member who entered into a postretirement marriage prior to  
34 the effective date of the rules adopted pursuant to this subsection and  
35 satisfies the conditions of (a)(i) of this subsection shall have one  
36 year to designate their spouse as a survivor beneficiary following the  
37 adoption of the rules.

38 (b) A retired member who elected to receive a reduced retirement  
39 allowance under this section and designated a nonspouse as survivor

1 beneficiary shall have the opportunity to remove the survivor  
2 designation and have their future benefit adjusted.

3 (c) The department may make an additional charge, if necessary, to  
4 ensure that the benefits provided under this subsection remain  
5 actuarially equivalent.

6 (4) No later than July 1, 2003, the department shall adopt rules to  
7 permit:

8 (a) A court-approved property settlement incident to a court decree  
9 of dissolution made before retirement to provide that benefits payable  
10 to a member of plan 2 who meets the length of service requirements of  
11 RCW 41.35.420, or a member of plan 3 who meets the length of service  
12 requirements of RCW 41.35.680(1), and the member's divorcing spouse be  
13 divided into two separate benefits payable over the life of each  
14 spouse.

15 The member shall have available the benefit options of subsection  
16 (1) of this section upon retirement, and if remarried at the time of  
17 retirement remains subject to the spousal consent requirements of  
18 subsection (2) of this section. Any reductions of the member's benefit  
19 subsequent to the division into two separate benefits shall be made  
20 solely to the separate benefit of the member.

21 The nonmember ex spouse shall be eligible to commence receiving  
22 their separate benefit upon reaching the ages provided in RCW  
23 41.35.420(1) for members of plan 2, or RCW 41.35.680(1) for members of  
24 plan 3, and after filing a written application with the department.

25 (b) A court-approved property settlement incident to a court decree  
26 of dissolution made after retirement may only divide the benefit into  
27 two separate benefits payable over the life of each spouse if the  
28 nonmember ex spouse was selected as a survivor beneficiary at  
29 retirement.

30 The retired member may later choose the survivor benefit options  
31 available in subsection (3) of this section. Any actuarial reductions  
32 subsequent to the division into two separate benefits shall be made  
33 solely to the separate benefit of the member.

34 Both the retired member and the nonmember divorced spouse shall be  
35 eligible to commence receiving their separate benefits upon filing a  
36 copy of the dissolution order with the department in accordance with  
37 RCW 41.50.670.

1       (c) Any benefit distributed pursuant to chapter 41.31A RCW after  
2 the date of the dissolution order creating separate benefits for a  
3 member and nonmember ex spouse shall be paid solely to the member.

4       (d) The department may make an additional charge or adjustment if  
5 necessary to ensure that the separate benefits provided under this  
6 subsection are actuarially equivalent to the benefits payable prior to  
7 the decree of dissolution.

8       **Sec. 12.** RCW 41.40.188 and 2000 c 186 s 7 are each amended to read  
9 as follows:

10       (1) Upon retirement for service as prescribed in RCW 41.40.180 or  
11 retirement for disability under RCW 41.40.210 or 41.40.230, a member  
12 shall elect to have the retirement allowance paid pursuant to one of  
13 the following options calculated so as to be actuarially equivalent to  
14 each other.

15       (a) Standard allowance. A member electing this option shall  
16 receive a retirement allowance payable throughout such member's life.  
17 However, if the retiree dies before the total of the retirement  
18 allowance paid to such retiree equals the amount of such retiree's  
19 accumulated contributions at the time of retirement, then the balance  
20 shall be paid to the member's estate, or such person or persons, trust,  
21 or organization as the retiree shall have nominated by written  
22 designation duly executed and filed with the department; or if there be  
23 no such designated person or persons still living at the time of the  
24 retiree's death, then to the surviving spouse; or if there be neither  
25 such designated person or persons still living at the time of death nor  
26 a surviving spouse, then to the retiree's legal representative.

27       (b) The department shall adopt rules that allow a member to select  
28 a retirement option that pays the member a reduced retirement allowance  
29 and upon death, such portion of the member's reduced retirement  
30 allowance as the department by rule designates shall be continued  
31 throughout the life of and paid to a person nominated by the member by  
32 written designation duly executed and filed with the department at the  
33 time of retirement. The options adopted by the department shall  
34 include, but are not limited to, a joint and one hundred percent  
35 survivor option and a joint and fifty percent survivor option.

36       (c) A member may elect to include the benefit provided under RCW  
37 41.40.640 along with the retirement options available under this

1 section. This retirement allowance option shall be calculated so as to  
2 be actuarially equivalent to the options offered under this subsection.

3 (2)(a) A member, if married, must provide the written consent of  
4 his or her spouse to the option selected under this section, except as  
5 provided in (b) of this subsection. If a member is married and both  
6 the member and the member's spouse do not give written consent to an  
7 option under this section, the department shall pay a joint and fifty  
8 percent survivor benefit calculated to be actuarially equivalent to the  
9 benefit options available under subsection (1) of this section unless  
10 spousal consent is not required as provided in (b) of this subsection.

11 (b) If a copy of a dissolution order designating a survivor  
12 beneficiary under RCW 41.50.790 has been filed with the department at  
13 least thirty days prior to a member's retirement:

14 (i) The department shall honor the designation as if made by the  
15 member under subsection (1) of this section; and

16 (ii) The spousal consent provisions of (a) of this subsection do  
17 not apply.

18 (3)(a) Any member who retired before January 1, 1996, and who  
19 elected to receive a reduced retirement allowance under subsection  
20 (1)(b) or (2) of this section is entitled to receive a retirement  
21 allowance adjusted in accordance with (b) of this subsection, if they  
22 meet the following conditions:

23 (i) The retiree's designated beneficiary predeceases or has  
24 predeceased the retiree; and

25 (ii) The retiree provides to the department proper proof of the  
26 designated beneficiary's death.

27 (b) The retirement allowance payable to the retiree, as of July 1,  
28 1998, or the date of the designated beneficiary's death, whichever  
29 comes last, shall be increased by the percentage derived in (c) of this  
30 subsection.

31 (c) The percentage increase shall be derived by the following:

32 (i) One hundred percent multiplied by the result of (c)(ii) of this  
33 subsection converted to a percent;

34 (ii) Subtract one from the reciprocal of the appropriate joint and  
35 survivor option factor;

36 (iii) The joint and survivor option factor shall be from the table  
37 in effect as of July 1, 1998.

1 (d) The adjustment under (b) of this subsection shall accrue from  
2 the beginning of the month following the date of the designated  
3 beneficiary's death or from July 1, 1998, whichever comes last.

4 (4) No later than July 1, 2001, the department shall adopt rules  
5 that allow a member additional actuarially equivalent survivor benefit  
6 options, and shall include, but are not limited to:

7 (a)(i) A retired member who retired without designating a survivor  
8 beneficiary shall have the opportunity to designate their spouse from  
9 a postretirement marriage as a survivor during a one-year period  
10 beginning one year after the date of the postretirement marriage  
11 provided the retirement allowance payable to the retiree is not subject  
12 to periodic payments pursuant to a property division obligation as  
13 provided for in RCW 41.50.670.

14 (ii) A member who entered into a postretirement marriage prior to  
15 the effective date of the rules adopted pursuant to this subsection and  
16 satisfies the conditions of (a)(i) of this subsection shall have one  
17 year to designate their spouse as a survivor beneficiary following the  
18 adoption of the rules.

19 (b) A retired member who elected to receive a reduced retirement  
20 allowance under this section and designated a nonspouse as survivor  
21 beneficiary shall have the opportunity to remove the survivor  
22 designation and have their future benefit adjusted.

23 (c) The department may make an additional charge, if necessary, to  
24 ensure that the benefits provided under this subsection remain  
25 actuarially equivalent.

26 (5) No later than July 1, 2003, the department shall adopt rules to  
27 permit:

28 (a) A court-approved property settlement incident to a court decree  
29 of dissolution made before retirement to provide that benefits payable  
30 to a member who meets the length of service requirements of RCW  
31 41.40.180(1) and the member's divorcing spouse be divided into two  
32 separate benefits payable over the life of each spouse.

33 The member shall have available the benefit options of subsection  
34 (1) of this section upon retirement, and if remarried at the time of  
35 retirement remains subject to the spousal consent requirements of  
36 subsection (2) of this section. Any reductions of the member's benefit  
37 subsequent to the division into two separate benefits shall be made  
38 solely to the separate benefit of the member.

1 The nonmember ex spouse shall be eligible to commence receiving  
2 their separate benefit upon reaching the age provided in RCW  
3 41.40.180(1) and after filing a written application with the  
4 department.

5 (b) A court-approved property settlement incident to a court decree  
6 of dissolution made after retirement may only divide the benefit into  
7 two separate benefits payable over the life of each spouse if the  
8 nonmember ex spouse was selected as a survivor beneficiary at  
9 retirement.

10 The retired member may later choose the survivor benefit options  
11 available in subsection (4) of this section. Any actuarial reductions  
12 subsequent to the division into two separate benefits shall be made  
13 solely to the separate benefit of the member.

14 Both the retired member and the nonmember divorced spouse shall be  
15 eligible to commence receiving their separate benefits upon filing a  
16 copy of the dissolution order with the department in accordance with  
17 RCW 41.50.670.

18 (c) The separate single life benefits of the member and the  
19 nonmember ex spouse are not (i) subject to the minimum benefit  
20 provisions of RCW 41.40.1984, or (ii) the minimum benefit annual  
21 increase amount eligibility provisions of RCW 41.40.197 (2)(b) and  
22 (3)(a).

23 (d) The department may make an additional charge or adjustment if  
24 necessary to ensure that the separate benefits provided under this  
25 subsection are actuarially equivalent to the benefits payable prior to  
26 the decree of dissolution.

27 **Sec. 13.** RCW 41.40.660 and 2000 c 186 s 8 are each amended to read  
28 as follows:

29 (1) Upon retirement for service as prescribed in RCW 41.40.630 or  
30 retirement for disability under RCW 41.40.670, a member shall elect to  
31 have the retirement allowance paid pursuant to one of the following  
32 options, calculated so as to be actuarially equivalent to each other.

33 (a) Standard allowance. A member electing this option shall  
34 receive a retirement allowance payable throughout such member's life.  
35 However, if the retiree dies before the total of the retirement  
36 allowance paid to such retiree equals the amount of such retiree's  
37 accumulated contributions at the time of retirement, then the balance  
38 shall be paid to the member's estate, or such person or persons, trust,

1 or organization as the retiree shall have nominated by written  
2 designation duly executed and filed with the department; or if there be  
3 no such designated person or persons still living at the time of the  
4 retiree's death, then to the surviving spouse; or if there be neither  
5 such designated person or persons still living at the time of death nor  
6 a surviving spouse, then to the retiree's legal representative.

7 (b) The department shall adopt rules that allow a member to select  
8 a retirement option that pays the member a reduced retirement allowance  
9 and upon death, such portion of the member's reduced retirement  
10 allowance as the department by rule designates shall be continued  
11 throughout the life of and paid to a person nominated by the member by  
12 written designation duly executed and filed with the department at the  
13 time of retirement. The options adopted by the department shall  
14 include, but are not limited to, a joint and one hundred percent  
15 survivor option and a joint and fifty percent survivor option.

16 (2)(a) A member, if married, must provide the written consent of  
17 his or her spouse to the option selected under this section, except as  
18 provided in (b) of this subsection. If a member is married and both  
19 the member and the member's spouse do not give written consent to an  
20 option under this section, the department shall pay a joint and fifty  
21 percent survivor benefit calculated to be actuarially equivalent to the  
22 benefit options available under subsection (1) of this section unless  
23 spousal consent is not required as provided in (b) of this subsection.

24 (b) If a copy of a dissolution order designating a survivor  
25 beneficiary under RCW 41.50.790 has been filed with the department at  
26 least thirty days prior to a member's retirement:

27 (i) The department shall honor the designation as if made by the  
28 member under subsection (1) of this section; and

29 (ii) The spousal consent provisions of (a) of this subsection do  
30 not apply.

31 (3)(a) Any member who retired before January 1, 1996, and who  
32 elected to receive a reduced retirement allowance under subsection  
33 (1)(b) or (2) of this section is entitled to receive a retirement  
34 allowance adjusted in accordance with (b) of this subsection, if they  
35 meet the following conditions:

36 (i) The retiree's designated beneficiary predeceases or has  
37 predeceased the retiree; and

38 (ii) The retiree provides to the department proper proof of the  
39 designated beneficiary's death.

1 (b) The retirement allowance payable to the retiree, as of July 1,  
2 1998, or the date of the designated beneficiary's death, whichever  
3 comes last, shall be increased by the percentage derived in (c) of this  
4 subsection.

5 (c) The percentage increase shall be derived by the following:

6 (i) One hundred percent multiplied by the result of (c)(ii) of this  
7 subsection converted to a percent;

8 (ii) Subtract one from the reciprocal of the appropriate joint and  
9 survivor option factor;

10 (iii) The joint and survivor option factor shall be from the table  
11 in effect as of July 1, 1998.

12 (d) The adjustment under (b) of this subsection shall accrue from  
13 the beginning of the month following the date of the designated  
14 beneficiary's death or from July 1, 1998, whichever comes last.

15 (4) No later than July 1, 2001, the department shall adopt rules  
16 that allow a member additional actuarially equivalent survivor benefit  
17 options, and shall include, but are not limited to:

18 (a)(i) A retired member who retired without designating a survivor  
19 beneficiary shall have the opportunity to designate their spouse from  
20 a postretirement marriage as a survivor during a one-year period  
21 beginning one year after the date of the postretirement marriage  
22 provided the retirement allowance payable to the retiree is not subject  
23 to periodic payments pursuant to a property division obligation as  
24 provided for in RCW 41.50.670.

25 (ii) A member who entered into a postretirement marriage prior to  
26 the effective date of the rules adopted pursuant to this subsection and  
27 satisfies the conditions of (a)(i) of this subsection shall have one  
28 year to designate their spouse as a survivor beneficiary following the  
29 adoption of the rules.

30 (b) A retired member who elected to receive a reduced retirement  
31 allowance under this section and designated a nonspouse as survivor  
32 beneficiary shall have the opportunity to remove the survivor  
33 designation and have their future benefit adjusted.

34 (c) The department may make an additional charge, if necessary, to  
35 ensure that the benefits provided under this subsection remain  
36 actuarially equivalent.

37 (5) No later than July 1, 2003, the department shall adopt rules to  
38 permit:

1       (a) A court-approved property settlement incident to a court decree  
2 of dissolution made before retirement to provide that benefits payable  
3 to a member who meets the length of service requirements of RCW  
4 41.40.720 and the member's divorcing spouse be divided into two  
5 separate benefits payable over the life of each spouse.

6       The member shall have available the benefit options of subsection  
7 (1) of this section upon retirement, and if remarried at the time of  
8 retirement remains subject to the spousal consent requirements of  
9 subsection (2) of this section. Any reductions of the member's benefit  
10 subsequent to the division into two separate benefits shall be made  
11 solely to the separate benefit of the member.

12       The nonmember ex spouse shall be eligible to commence receiving  
13 their separate benefit upon reaching the age provided in RCW  
14 41.40.630(1) and after filing a written application with the  
15 department.

16       (b) A court-approved property settlement incident to a court decree  
17 of dissolution made after retirement may only divide the benefit into  
18 two separate benefits payable over the life of each spouse if the  
19 nonmember ex spouse was selected as a survivor beneficiary at  
20 retirement.

21       The retired member may later choose the survivor benefit options  
22 available in subsection (4) of this section. Any actuarial reductions  
23 subsequent to the division into two separate benefits shall be made  
24 solely to the separate benefit of the member.

25       Both the retired member and the nonmember divorced spouse shall be  
26 eligible to commence receiving their separate benefits upon filing a  
27 copy of the dissolution order with the department in accordance with  
28 RCW 41.50.670.

29       (c) Any benefit distributed pursuant to chapter 41.31A RCW after  
30 the date of the dissolution order creating separate benefits for a  
31 member and nonmember ex spouse shall be paid solely to the member.

32       (d) The department may make an additional charge or adjustment if  
33 necessary to ensure that the separate benefits provided under this  
34 subsection are actuarially equivalent to the benefits payable prior to  
35 the decree of dissolution.

36       **Sec. 14.** RCW 41.40.845 and 2000 c 247 s 314 are each amended to  
37 read as follows:

1 (1) Upon retirement for service as prescribed in RCW 41.40.820 or  
2 retirement for disability under RCW 41.40.825, a member shall elect to  
3 have the retirement allowance paid pursuant to one of the following  
4 options, calculated so as to be actuarially equivalent to each other.

5 (a) Standard allowance. A member electing this option shall  
6 receive a retirement allowance payable throughout such member's life.  
7 ~~((However, if the retiree dies before the total of the retirement  
8 allowance paid to such retiree equals the amount of such retiree's  
9 accumulated contributions at the time of retirement, then the balance  
10 shall be paid to the member's estate, or such person or persons, trust,  
11 or organization as the retiree shall have nominated by written  
12 designation duly executed and filed with the department; or if there be  
13 no such designated person or persons still living at the time of the  
14 retiree's death, then to the surviving spouse; or if there be neither  
15 such designated person or persons still living at the time of death nor  
16 a surviving spouse, then to the retiree's legal representative.))~~ Upon  
17 the death of the member, the member's benefits shall cease.

18 (b) The department shall adopt rules that allow a member to select  
19 a retirement option that pays the member a reduced retirement allowance  
20 and upon death, such portion of the member's reduced retirement  
21 allowance as the department by rule designates shall be continued  
22 throughout the life of and paid to a person nominated by the member by  
23 written designation duly executed and filed with the department at the  
24 time of retirement. The options adopted by the department shall  
25 include, but are not limited to, a joint and one hundred percent  
26 survivor option and a joint and fifty percent survivor option.

27 (2)(a) A member, if married, must provide the written consent of  
28 his or her spouse to the option selected under this section, except as  
29 provided in (b) of this subsection. If a member is married and both  
30 the member and the member's spouse do not give written consent to an  
31 option under this section, the department shall pay a joint and fifty  
32 percent survivor benefit calculated to be actuarially equivalent to the  
33 benefit options available under subsection (1) of this section unless  
34 spousal consent is not required as provided in (b) of this subsection.

35 (b) If a copy of a dissolution order designating a survivor  
36 beneficiary under RCW 41.50.790 has been filed with the department at  
37 least thirty days prior to a member's retirement:

38 (i) The department shall honor the designation as if made by the  
39 member under subsection (1) of this section; and

1 (ii) The spousal consent provisions of (a) of this subsection do  
2 not apply.

3 (3) The department shall adopt rules that allow a member additional  
4 actuarially equivalent survivor benefit options, and shall include, but  
5 are not limited to:

6 (a)(i) A retired member who retired without designating a survivor  
7 beneficiary shall have the opportunity to designate their spouse from  
8 a postretirement marriage as a survivor during a one-year period  
9 beginning one year after the date of the postretirement marriage  
10 provided the retirement allowance payable to the retiree is not subject  
11 to periodic payments pursuant to a property division obligation as  
12 provided for in RCW 41.50.670.

13 (ii) A member who entered into a postretirement marriage prior to  
14 the effective date of the rules adopted under this section and  
15 satisfies the conditions of (a)(i) of this subsection shall have one  
16 year to designate their spouse as a survivor beneficiary following the  
17 adoption of the rules.

18 (b) A retired member who elected to receive a reduced retirement  
19 allowance under this section and designated a nonspouse as survivor  
20 beneficiary shall have the opportunity to remove the survivor  
21 designation and have their future benefit adjusted.

22 (c) The department may make an additional charge, if necessary, to  
23 ensure that the benefits provided under this subsection remain  
24 actuarially equivalent.

25 (4) No later than July 1, 2002, the department shall adopt rules  
26 that allow a member additional actuarially equivalent survivor benefit  
27 options, and shall include, but are not limited to:

28 (a)(i) A retired member who retired without designating a survivor  
29 beneficiary shall have the opportunity to designate their spouse from  
30 a postretirement marriage as a survivor during a one-year period  
31 beginning one year after the date of the postretirement marriage  
32 provided the retirement allowance payable to the retiree is not subject  
33 to periodic payments pursuant to a property division obligation as  
34 provided for in RCW 41.50.670.

35 (ii) A member who entered into a postretirement marriage prior to  
36 the effective date of the rules adopted under this section and  
37 satisfies the conditions of (a)(i) of this subsection shall have one  
38 year to designate their spouse as a survivor beneficiary following the  
39 adoption of the rules.

1       (b) A retired member who elected to receive a reduced retirement  
2 allowance under this section and designated a nonspouse as survivor  
3 beneficiary shall have the opportunity to remove the survivor  
4 designation and have their future benefit adjusted.

5       (c) The department may make an additional charge, if necessary, to  
6 ensure that the benefits provided under this subsection remain  
7 actuarially equivalent.

8       (5) No later than July 1, 2003, the department shall adopt rules to  
9 permit:

10       (a) A court-approved property settlement incident to a court decree  
11 of dissolution made before retirement to provide that benefits payable  
12 to a member who meets the length of service requirements of RCW  
13 41.40.820(1) and the member's divorcing spouse be divided into two  
14 separate benefits payable over the life of each spouse.

15       The member shall have available the benefit options of subsection  
16 (1) of this section upon retirement, and if remarried at the time of  
17 retirement remains subject to the spousal consent requirements of  
18 subsection (2) of this section. Any reductions of the member's benefit  
19 subsequent to the division into two separate benefits shall be made  
20 solely to the separate benefit of the member.

21       The nonmember ex spouse shall be eligible to commence receiving  
22 their separate benefit upon reaching the age provided in RCW  
23 41.40.820(1) and after filing a written application with the  
24 department.

25       (b) A court-approved property settlement incident to a court decree  
26 of dissolution made after retirement may only divide the benefit into  
27 two separate benefits payable over the life of each spouse if the  
28 nonmember ex spouse was selected as a survivor beneficiary at  
29 retirement.

30       The retired member may later choose the survivor benefit options  
31 available in subsection (4) of this section. Any actuarial reductions  
32 subsequent to the division into two separate benefits shall be made  
33 solely to the separate benefit of the member.

34       Both the retired member and the nonmember divorced spouse shall be  
35 eligible to commence receiving their separate benefits upon filing a  
36 copy of the dissolution order with the department in accordance with  
37 RCW 41.50.670.

38       (c) The department may make an additional charge or adjustment if  
39 necessary to ensure that the separate benefits provided under this

1 subsection are actuarially equivalent to the benefits payable prior to  
2 the decree of dissolution.

3 **Sec. 15.** RCW 43.43.270 and 2001 c 329 s 6 are each amended to read  
4 as follows:

5 For members commissioned prior to January 1, 2003:

6 (1) The normal form of retirement allowance shall be an allowance  
7 which shall continue as long as the member lives.

8 (2) If a member should die while in service the member's lawful  
9 spouse shall be paid an allowance which shall be equal to fifty percent  
10 of the average final salary of the member. If the member should die  
11 after retirement the member's lawful spouse shall be paid an allowance  
12 which shall be equal to the retirement allowance then payable to the  
13 member or fifty percent of the final average salary used in computing  
14 the member's retirement allowance, whichever is less. The allowance  
15 paid to the lawful spouse shall continue as long as the spouse lives:  
16 PROVIDED, That if a surviving spouse who is receiving benefits under  
17 this subsection marries another member of this retirement system who  
18 subsequently predeceases such spouse, the spouse shall then be entitled  
19 to receive the higher of the two survivors' allowances for which  
20 eligibility requirements were met, but a surviving spouse shall not  
21 receive more than one survivor's allowance from this system at the same  
22 time under this subsection. To be eligible for an allowance the lawful  
23 surviving spouse of a retired member shall have been married to the  
24 member prior to the member's retirement and continuously thereafter  
25 until the date of the member's death or shall have been married to the  
26 retired member at least two years prior to the member's death. The  
27 allowance paid to the lawful spouse may be divided with an ex spouse of  
28 the member by a dissolution order as defined in RCW 41.50.500(3)  
29 incident to a divorce occurring after July 1, 2002. The dissolution  
30 order must specifically divide both the member's benefit and any  
31 spousal survivor benefit, and must fully comply with RCW 41.50.670 and  
32 41.50.700.

33 (3) If a member should die, either while in service or after  
34 retirement, the member's surviving unmarried children under the age of  
35 eighteen years shall be provided for in the following manner:

36 (a) If there is a surviving spouse, each child shall be entitled to  
37 a benefit equal to five percent of the final average salary of the  
38 member or retired member. The combined benefits to the surviving

1 spouse and all children shall not exceed sixty percent of the final  
2 average salary of the member or retired member; and

3 (b) If there is no surviving spouse or the spouse should die, the  
4 child or children shall be entitled to a benefit equal to thirty  
5 percent of the final average salary of the member or retired member for  
6 one child and an additional ten percent for each additional child. The  
7 combined benefits to the children under this subsection shall not  
8 exceed sixty percent of the final average salary of the member or  
9 retired member. Payments under this subsection shall be prorated  
10 equally among the children, if more than one.

11 (4) If a member should die in the line of duty while employed by  
12 the Washington state patrol, the member's surviving children under the  
13 age of twenty years and eleven months if attending any high school,  
14 college, university, or vocational or other educational institution  
15 accredited or approved by the state of Washington shall be provided for  
16 in the following manner:

17 (a) If there is a surviving spouse, each child shall be entitled to  
18 a benefit equal to five percent of the final average salary of the  
19 member. The combined benefits to the surviving spouse and all children  
20 shall not exceed sixty percent of the final average salary of the  
21 member;

22 (b) If there is no surviving spouse or the spouse should die, the  
23 unmarried child or children shall be entitled to receive a benefit  
24 equal to thirty percent of the final average salary of the member or  
25 retired member for one child and an additional ten percent for each  
26 additional child. The combined benefits to the children under this  
27 subsection shall not exceed sixty percent of the final average salary.  
28 Payments under this subsection shall be prorated equally among the  
29 children, if more than one; and

30 (c) If a beneficiary under this subsection reaches the age of  
31 twenty-one years during the middle of a term of enrollment the benefit  
32 shall continue until the end of that term.

33 (5) The provisions of this section shall apply to members who have  
34 been retired on disability as provided in RCW 43.43.040 if the officer  
35 was a member of the Washington state patrol retirement system at the  
36 time of such disability retirement.

37 **Sec. 16.** RCW 43.43.271 and 2001 c 329 s 5 are each amended to read  
38 as follows:

1 (1) A member commissioned on or after January 1, 2003, upon  
2 retirement for service as prescribed in RCW 43.43.250 or disability  
3 retirement under RCW 43.43.040, shall elect to have the retirement  
4 allowance paid pursuant to the following options, calculated so as to  
5 be actuarially equivalent to each other.

6 (a) Standard allowance. A member electing this option shall  
7 receive a retirement allowance payable throughout the member's life.  
8 However, if the retiree dies before the total of the retirement  
9 allowance paid to the retiree equals the amount of the retiree's  
10 accumulated contributions at the time of retirement, then the balance  
11 shall be paid to the member's estate, or such person or persons, trust,  
12 or organization as the retiree shall have nominated by written  
13 designation duly executed and filed with the department; or if there be  
14 no such designated person or persons still living at the time of the  
15 retiree's death, then to the surviving spouse; or if there be neither  
16 such designated person or persons still living at the time of death nor  
17 a surviving spouse, then to the retiree's legal representative.

18 (b) The department shall adopt rules that allow a member to select  
19 a retirement option that pays the member a reduced retirement allowance  
20 and upon death, such portion of the member's reduced retirement  
21 allowance as the department by rule designates shall be continued  
22 throughout the life of and paid to a designated person. Such person  
23 shall be nominated by the member by written designation duly executed  
24 and filed with the department at the time of retirement. The options  
25 adopted by the department shall include, but are not limited to, a  
26 joint and one hundred percent survivor option and a joint and fifty  
27 percent survivor option.

28 (2)(a) A member, if married, must provide the written consent of  
29 his or her spouse to the option selected under this section, except as  
30 provided in (b) of this subsection. If a member is married and both  
31 the member and member's spouse do not give written consent to an option  
32 under this section, the department will pay the member a joint and  
33 fifty percent survivor benefit and record the member's spouse as the  
34 beneficiary. This benefit shall be calculated to be actuarially  
35 equivalent to the benefit options available under subsection (1) of  
36 this section unless spousal consent is not required as provided in (b)  
37 of this subsection.

1 (b) If a copy of a dissolution order designating a survivor  
2 beneficiary under RCW 41.50.790 has been filed with the department at  
3 least thirty days prior to a member's retirement:

4 (i) The department shall honor the designation as if made by the  
5 member under subsection (1) of this section; and

6 (ii) The spousal consent provisions of (a) of this subsection do  
7 not apply.

8 (3) No later than January 1, 2003, the department shall adopt rules  
9 that allow a member additional actuarially equivalent survivor benefit  
10 options, and shall include, but are not limited to:

11 (a)(i) A retired member who retired without designating a survivor  
12 beneficiary shall have the opportunity to designate their spouse from  
13 a postretirement marriage as a survivor during a one-year period  
14 beginning one year after the date of the postretirement marriage  
15 provided the retirement allowance payable to the retiree is not subject  
16 to periodic payments pursuant to a property division obligation as  
17 provided for in RCW 41.50.670.

18 (ii) A member who entered into a postretirement marriage prior to  
19 the effective date of the rules adopted pursuant to this subsection and  
20 satisfies the conditions of (a)(i) of this subsection shall have one  
21 year to designate their spouse as a survivor beneficiary following the  
22 adoption of the rules.

23 (b) A retired member who elected to receive a reduced retirement  
24 allowance under this section and designated a nonspouse as survivor  
25 beneficiary shall have the opportunity to remove the survivor  
26 designation and have their future benefit adjusted.

27 (c) The department may make an additional charge, if necessary, to  
28 ensure that the benefits provided under this subsection remain  
29 actuarially equivalent.

30 (4) No later than July 1, 2003, the department shall adopt rules to  
31 permit:

32 (a) A court-approved property settlement incident to a court decree  
33 of dissolution made before retirement to provide that benefits payable  
34 to a member who has completed at least five years of service and the  
35 member's divorcing spouse be divided into two separate benefits payable  
36 over the life of each spouse.

37 The member shall have available the benefit options of subsection  
38 (1) of this section upon retirement, and if remarried at the time of  
39 retirement remains subject to the spousal consent requirements of

1 subsection (2) of this section. Any reductions of the member's benefit  
2 subsequent to the division into two separate benefits shall be made  
3 solely to the separate benefit of the member.

4 The nonmember ex spouse shall be eligible to commence receiving  
5 their separate benefit upon reaching the ages provided in RCW  
6 43.43.250(2) and after filing a written application with the  
7 department.

8 (b) A court-approved property settlement incident to a court decree  
9 of dissolution made after retirement may only divide the benefit into  
10 two separate benefits payable over the life of each spouse if the  
11 nonmember ex spouse was selected as a survivor beneficiary at  
12 retirement.

13 The retired member may later choose the survivor benefit options  
14 available in subsection (3) of this section. Any actuarial reductions  
15 subsequent to the division into two separate benefits shall be made  
16 solely to the separate benefit of the member.

17 Both the retired member and the nonmember divorced spouse shall be  
18 eligible to commence receiving their separate benefits upon filing a  
19 copy of the dissolution order with the department in accordance with  
20 RCW 41.50.670.

21 (c) The department may make an additional charge or adjustment if  
22 necessary to ensure that the separate benefits provided under this  
23 subsection are actuarially equivalent to the benefits payable prior to  
24 the decree of dissolution.

--- END ---