

---

HOUSE BILL 1838

---

State of Washington

60th Legislature

2007 Regular Session

By Representatives Seaquist, Halpern, McIntire, Conway, Kenney, Simpson and Ormsby

Read first time 01/30/2007. Referred to Committee on Appropriations.

1 AN ACT Relating to the retirement allowances of certain members who  
2 die before retirement when they could have retired with thirty years of  
3 service credit; and amending RCW 41.32.520 and 41.40.270.

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

5 **Sec. 1.** RCW 41.32.520 and 2003 c 155 s 1 are each amended to read  
6 as follows:

7 (1) Except as specified in subsection (~~((3))~~) (2) or (4) of this  
8 section, upon receipt of proper proofs of death of any member before  
9 retirement or before the first installment of his or her retirement  
10 allowance shall become due his or her accumulated contributions, less  
11 any amount identified as owing to an obligee upon withdrawal of  
12 accumulated contributions pursuant to a court order filed under RCW  
13 41.50.670, and/or other benefits payable upon his or her death shall be  
14 paid to his or her estate or to such persons, trust, or organization as  
15 he or she shall have nominated by written designation duly executed and  
16 filed with the department. If a member fails to file a new beneficiary  
17 designation subsequent to marriage, divorce, or reestablishment of  
18 membership following termination by withdrawal, lapsation, or  
19 retirement, payment of his or her accumulated contributions, less any

1 amount identified as owing to an obligee upon withdrawal of accumulated  
2 contributions pursuant to a court order filed under RCW 41.50.670,  
3 and/or other benefits upon death before retirement shall be made to the  
4 surviving spouse, if any; otherwise, to his or her estate. If a member  
5 had established ten or more years of Washington membership service  
6 credit or was eligible for retirement, the beneficiary or the surviving  
7 spouse if otherwise eligible may elect, in lieu of a cash refund of the  
8 member's accumulated contributions, the following survivor benefit plan  
9 actuarially reduced, except under subsection ~~((+4))~~ (5) of this  
10 section, by the amount of any lump sum benefit identified as owing to  
11 an obligee upon withdrawal of accumulated contributions pursuant to a  
12 court order filed under RCW 41.50.670:

13 (a) A widow or widower, without a child or children under eighteen  
14 years of age, may elect a monthly payment of fifty dollars to become  
15 effective at age fifty, provided the member had fifteen or more years  
16 of Washington membership service credit. A benefit paid under this  
17 subsection (1)(a) shall terminate at the marriage of the beneficiary.

18 (b) The beneficiary, if a surviving spouse or a dependent (as that  
19 term is used in computing the dependent exemption for federal internal  
20 revenue purposes) may elect to receive a joint and one hundred percent  
21 retirement allowance under RCW 41.32.530.

22 (i) In the case of a dependent child the allowance shall continue  
23 until attainment of majority or so long as the department judges that  
24 the circumstances which created his or her dependent status continue to  
25 exist. In any case, if at the time dependent status ceases, an amount  
26 equal to the amount of accumulated contributions of the deceased member  
27 has not been paid to the beneficiary, the remainder shall then be paid  
28 in a lump sum to the beneficiary.

29 (ii) If at the time of death, the member was not then qualified for  
30 a service retirement allowance, the benefit shall be based upon the  
31 actuarial equivalent of the sum necessary to pay the accrued regular  
32 retirement allowance commencing when the deceased member would have  
33 first qualified for a service retirement allowance.

34 (2) If a member had thirty years of service credit at the time of  
35 death, but had not retired, his or her accumulated contributions plus  
36 interest and the employer's accumulated contributions plus interest,  
37 less any amount identified as owing to an obligee upon withdrawal of  
38 accumulated contributions pursuant to a court order filed under RCW

1 41.50.670, and any other benefits payable upon his or her death shall  
2 be paid to his or her estate or to such persons, trust, or organization  
3 as he or she has nominated by written designation duly executed and  
4 filed with the department. Interest on accumulated contributions shall  
5 be determined by the director.

6 (3) If no qualified beneficiary survives a member, at his or her  
7 death his or her accumulated contributions, less any amount identified  
8 as owing to an obligee upon withdrawal of accumulated contributions  
9 pursuant to a court order filed under RCW 41.50.670, shall be paid to  
10 his or her estate, or his or her dependents may qualify for survivor  
11 benefits under benefit plan (1)(b) in lieu of a cash refund of the  
12 members accumulated contributions in the following order: Widow or  
13 widower, guardian of a dependent child or children under age eighteen,  
14 or dependent parent or parents.

15 ((+3)) (4) If a member dies within sixty days following  
16 application for disability retirement under RCW 41.32.550, the  
17 beneficiary named in the application may elect to receive the benefit  
18 provided by:

19 (a) This section; or

20 (b) RCW 41.32.550, according to the option chosen under RCW  
21 41.32.530 in the disability application.

22 ((+4)) (5) The retirement allowance of a member who is killed in  
23 the course of employment, as determined by the director of the  
24 department of labor and industries, is not subject to an actuarial  
25 reduction. The member's retirement allowance is computed under RCW  
26 41.32.480.

27 **Sec. 2.** RCW 41.40.270 and 2003 c 155 s 6 are each amended to read  
28 as follows:

29 (1) Except as specified in subsection ((+4)) (2) or (5) of this  
30 section, should a member die before the date of retirement the amount  
31 of the accumulated contributions standing to the member's credit in the  
32 employees' savings fund, less any amount identified as owing to an  
33 obligee upon withdrawal of accumulated contributions pursuant to a  
34 court order filed under RCW 41.50.670, at the time of death:

35 (a) Shall be paid to the member's estate, or such person or  
36 persons, trust, or organization as the member shall have nominated by  
37 written designation duly executed and filed with the department; or

1 (b) If there be no such designated person or persons still living  
2 at the time of the member's death, or if a member fails to file a new  
3 beneficiary designation subsequent to marriage, remarriage, dissolution  
4 of marriage, divorce, or reestablishment of membership following  
5 termination by withdrawal or retirement, such accumulated  
6 contributions, less any amount identified as owing to an obligee upon  
7 withdrawal of accumulated contributions pursuant to a court order filed  
8 under RCW 41.50.670, shall be paid to the surviving spouse as if in  
9 fact such spouse had been nominated by written designation as  
10 aforesaid, or if there be no such surviving spouse, then to the  
11 member's legal representatives.

12 (2) If a member had thirty years of service credit at the time of  
13 death, but had not retired, his or her accumulated contributions plus  
14 interest and the employer's accumulated contributions plus interest,  
15 less any amount identified as owing to an obligee upon withdrawal of  
16 accumulated contributions pursuant to a court order filed under RCW  
17 41.50.670, and any other benefits payable upon his or her death shall  
18 be paid to his or her estate or to such persons, trust, or organization  
19 as he or she has nominated by written designation duly executed and  
20 filed with the department. Interest on accumulated contributions shall  
21 be determined by the director.

22 (3) Upon the death in service, or while on authorized leave of  
23 absence for a period not to exceed one hundred and twenty days from the  
24 date of payroll separation, of any member who is qualified but has not  
25 applied for a service retirement allowance or has completed ten years  
26 of service at the time of death, the designated beneficiary, or the  
27 surviving spouse as provided in subsection (1) of this section, may  
28 elect to waive the payment provided by subsection (1) of this section.  
29 Upon such an election, a joint and one hundred percent survivor option  
30 under RCW 41.40.188, calculated under the retirement allowance  
31 described in RCW 41.40.185 or 41.40.190, whichever is greater,  
32 actuarially reduced, except under subsection ~~((+5+))~~ (6) of this  
33 section, by the amount of any lump sum benefit identified as owing to  
34 an obligee upon withdrawal of accumulated contributions pursuant to a  
35 court order filed under RCW 41.50.670 shall automatically be given  
36 effect as if selected for the benefit of the designated beneficiary.  
37 If the member is not then qualified for a service retirement allowance,  
38 such benefit shall be based upon the actuarial equivalent of the sum

1 necessary to pay the accrued regular retirement allowance commencing  
2 when the deceased member would have first qualified for a service  
3 retirement allowance.

4 ~~((+3))~~ (4) Subsection (1) of this section, unless elected, shall  
5 not apply to any member who has applied for service retirement in RCW  
6 41.40.180, ~~((as now or hereafter amended,))~~ and thereafter dies between  
7 the date of separation from service and the member's effective  
8 retirement date, where the member has selected a survivorship option  
9 under RCW 41.40.188. In those cases the beneficiary named in the  
10 member's final application for service retirement may elect to receive  
11 either a cash refund, less any amount identified as owing to an obligee  
12 upon withdrawal of accumulated contributions pursuant to a court order  
13 filed under RCW 41.50.670, or monthly payments according to the option  
14 selected by the member.

15 ~~((+4))~~ (5) If a member dies within sixty days following  
16 application for disability retirement under RCW 41.40.230, the  
17 beneficiary named in the application may elect to receive the benefit  
18 provided by:

- 19 (a) This section; or
- 20 (b) RCW 41.40.235, according to the option chosen under RCW  
21 41.40.188 in the disability application.

22 ~~((+5))~~ (6) The retirement allowance of a member who is killed in  
23 the course of employment, as determined by the director of the  
24 department of labor and industries, is not subject to an actuarial  
25 reduction. The member's retirement allowance is computed under RCW  
26 41.40.185.

--- END ---