

CERTIFICATION OF ENROLLMENT

**SENATE BILL 5350**

66th Legislature  
2019 Regular Session

Passed by the Senate March 7, 2019  
Yeas 48 Nays 0

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**President of the Senate**

Passed by the House April 17, 2019  
Yeas 89 Nays 9

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**Speaker of the House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5350** as passed by Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**SENATE BILL 5350**

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Passed Legislature - 2019 Regular Session

**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senators Conway, Bailey, and Schoesler; by request of Select Committee on Pension Policy

1       AN ACT Relating to an optional life annuity benefit for members  
2 of the public employees' retirement system, school employees'  
3 retirement system, and public safety employees' retirement system;  
4 adding a new section to chapter 41.40 RCW; adding a new section to  
5 chapter 41.37 RCW; adding a new section to chapter 41.35 RCW; and  
6 providing an effective date.

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

8       NEW SECTION.   **Sec. 1.** A new section is added to chapter 41.40  
9 RCW to read as follows:

10       (1) At the time of retirement, a plan 1 member may purchase an  
11 optional actuarially equivalent life annuity benefit from the public  
12 employees' retirement system plan 1 fund established in RCW  
13 41.50.075. A minimum payment of five thousand dollars is required.

14       (2) At the time of retirement, a plan 2 or plan 3 member may  
15 purchase an optional actuarially equivalent life annuity benefit from  
16 the public employees' retirement system combined plan 2 and plan 3  
17 fund established in RCW 41.50.075. A minimum payment of five thousand  
18 dollars is required.

19       (3) Subject to rules adopted by the department, a member  
20 purchasing an annuity under this section must pay all of the cost

1 with an eligible rollover, direct rollover, or trustee-to-trustee  
2 transfer from an eligible retirement plan.

3 (a) The department shall adopt rules to ensure that all eligible  
4 rollovers and transfers comply with the requirements of the internal  
5 revenue code and regulations adopted by the internal revenue service.  
6 The rules adopted by the department may condition the acceptance of a  
7 rollover or transfer from another plan on the receipt of information  
8 necessary to enable the department to determine the eligibility of  
9 any transferred funds for tax-free rollover treatment or other  
10 treatment under federal income tax law.

11 (b) For the purposes of this subsection (3), "eligible retirement  
12 plan" means a tax qualified plan offered by a governmental employer.

13 (4) The legislature reserves the right to amend or repeal this  
14 section in the future.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.37  
16 RCW to read as follows:

17 (1) At the time of retirement, a plan 2 member may purchase an  
18 optional actuarially equivalent life annuity benefit from the public  
19 safety employees' retirement system plan 2 fund established in RCW  
20 41.50.075. A minimum payment of five thousand dollars is required.

21 (2) Subject to rules adopted by the department, a member  
22 purchasing an annuity under this section must pay all of the cost  
23 with an eligible rollover, direct rollover, or trustee-to-trustee  
24 transfer from an eligible retirement plan.

25 (a) The department shall adopt rules to ensure that all eligible  
26 rollovers and transfers comply with the requirements of the internal  
27 revenue code and regulations adopted by the internal revenue service.  
28 The rules adopted by the department may condition the acceptance of a  
29 rollover or transfer from another plan on the receipt of information  
30 necessary to enable the department to determine the eligibility of  
31 any transferred funds for tax-free rollover treatment or other  
32 treatment under federal income tax law.

33 (b) For the purposes of this subsection (2), "eligible retirement  
34 plan" means a tax qualified plan offered by a governmental employer.

35 (3) The legislature reserves the right to amend or repeal this  
36 section in the future.

37 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.35  
38 RCW to read as follows:

1 (1) At the time of retirement, a plan 2 or plan 3 member may  
2 purchase an optional actuarially equivalent life annuity benefit from  
3 the school employees' retirement system combined plan 2 and 3 fund  
4 established in RCW 41.50.075. A minimum payment of five thousand  
5 dollars is required.

6 (2) Subject to rules adopted by the department, a member  
7 purchasing an annuity under this section must pay all of the cost  
8 with an eligible rollover, direct rollover, or trustee-to-trustee  
9 transfer from an eligible retirement plan.

10 (a) The department shall adopt rules to ensure that all eligible  
11 rollovers and transfers comply with the requirements of the internal  
12 revenue code and regulations adopted by the internal revenue service.  
13 The rules adopted by the department may condition the acceptance of a  
14 rollover or transfer from another plan on the receipt of information  
15 necessary to enable the department to determine the eligibility of  
16 any transferred funds for tax-free rollover treatment or other  
17 treatment under federal income tax law.

18 (b) For the purposes of this subsection (2), "eligible retirement  
19 plan" means a tax qualified plan offered by a governmental employer.

20 (3) The legislature reserves the right to amend or repeal this  
21 section in the future.

22 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2020.

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