

WAC 415-02-380 How will my retirement benefit be affected if I choose a benefit option with a survivor feature? This section applies to LEOFF Plans 1 and 2; PERS Plans 1, 2, and 3; PSERS; SERS Plans 2 and 3; TRS Plans 1, 2, and 3; and WSPRS Plans 1 and 2.

(1) **What is a survivor feature?** A survivor feature is a benefit option that provides a lifetime monthly benefit for your survivor beneficiary after your death.

(2) **What is a survivor beneficiary?** A survivor beneficiary is the person you name at the time of retirement to receive a lifetime monthly benefit after your death.

(3) **What benefit options include a survivor feature?** Benefit options are described in detail for each system and plan in the following state law and regulations:

| | | |
|---------------------|---------------|-----------------|
| LEOFF Plan 1: | RCW 41.26.164 | WAC 415-104-202 |
| LEOFF Plan 2: | RCW 41.26.460 | WAC 415-104-215 |
| PERS Plan 1: | RCW 41.40.188 | WAC 415-108-326 |
| PERS Plan 2: | RCW 41.40.660 | WAC 415-108-326 |
| PERS Plan 3: | RCW 41.40.845 | WAC 415-108-326 |
| PSERS: | RCW 41.37.170 | WAC 415-106-600 |
| SERS Plans 2 and 3: | RCW 41.35.220 | WAC 415-110-610 |
| TRS Plan 1: | RCW 41.32.530 | WAC 415-112-504 |
| TRS Plan 2: | RCW 41.32.785 | WAC 415-112-505 |
| TRS Plan 3: | RCW 41.32.851 | WAC 415-112-505 |
| WSPRS Plan 1: | RCW 43.43.278 | WAC 415-103-215 |
| WSPRS Plan 2: | RCW 43.43.271 | WAC 415-103-225 |

(4) **How will selecting a benefit option with a survivor feature affect my monthly retirement benefit?** If you select a benefit option that has a survivor feature, your monthly retirement benefit will be actuarially reduced to offset the cost of the survivor feature.

(5) **Does my survivor beneficiary's age affect how much my monthly retirement benefit will be reduced?** Yes. Your survivor beneficiary's age is used in determining the amount of your monthly retirement benefit and the benefit of your survivor beneficiary. The younger the survivor beneficiary, the longer he or she is expected to receive a benefit. Your monthly benefit will be reduced accordingly.

(a) **Example:**

Kendra, a PERS Plan 2 member, chooses Option 3 (joint and 50 percent survivorship) at retirement. Her monthly Option 1 benefit amount before adding a survivor option feature is \$2,000.00. She names her nephew, Steve, as her survivor beneficiary. This means, if Kendra dies before Steve, Steve will receive a monthly benefit equal to half the amount Kendra was receiving. Steve is 30 years younger than Kendra. The department will calculate the adjustment to Kendra's monthly retirement benefit by using the survivor option factor associated with a 30-year age difference in which the member is older than the beneficiary. For illustration purposes in this example only, we will use 0.776 as the corresponding Option 3 benefit factor (actuarial factors change periodically). As a result, Kendra's Option 3 monthly benefit amount will be \$1,552.00 ($\$2,000.00 \times 0.776$).

(b) **Example:**

Mark, a LEOFF Plan 2 member, chooses Option 2 (joint and 100 percent survivorship) at retirement. His monthly Option 1 benefit amount before adding a survivor option feature is \$2,000.00. He names his wife, Susan, as his survivor beneficiary. This means, if Mark dies before Susan, Susan will receive a monthly benefit equal to the amount

Mark was receiving. Mark is five years younger than Susan. The department will calculate the adjustment to Mark's monthly retirement benefit by using the survivor option factor that corresponds with a 5-year age difference in which the member is younger than the beneficiary. For illustration purposes in this example only, we will use 0.898 as the corresponding Option 2 benefit factor (actuarial factors change periodically). As a result, Mark's Option 2 monthly benefit amount will be \$1,796.00 ($\$2,000.00 \times 0.898$).

[Statutory Authority: RCW 41.50.050(5). WSR 13-18-034, § 415-02-380, filed 8/28/13, effective 10/1/13; WSR 10-16-086, § 415-02-380, filed 7/30/10, effective 9/1/10. Statutory Authority: RCW 41.50.050(5), 41.26.164, 41.26.460, 41.40.188, 41.40.660, 41.40.845, 41.37.170, 41.35.220, 41.32.530, 41.32.785, 41.32.851, 43.43.271. WSR 06-18-009, § 415-02-380, filed 8/24/06, effective 9/24/06. Statutory Authority: RCW 41.50.050(5). WSR 05-23-062, § 415-02-380, filed 11/14/05, effective 12/15/05. Statutory Authority: RCW 41.50.050(5), 41.26.162, 41.26.164, chapter 41.45 RCW. WSR 03-12-014, § 415-02-380, filed 5/27/03, effective 7/1/03. Statutory Authority: RCW 41.50.050(5) and chapter 41.45 RCW. WSR 03-02-087, § 415-02-380, filed 12/31/02, effective 2/1/03; WSR 02-18-048, § 415-02-380, filed 8/28/02, effective 9/1/02.]