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SENATE BILL 6234

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State of Washington

54th Legislature

1996 Regular Session

By Senators Fraser and Long; by request of Department of Retirement Systems

Read first time 01/09/96. Referred to Committee on Ways & Means.

1 AN ACT Relating to a member who dies prior to receiving the first  
2 disability retirement payment; and amending RCW 41.40.270.

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

4 **Sec. 1.** RCW 41.40.270 and 1995 c 144 s 5 are each amended to read  
5 as follows:

6 (1) Should a member die before the date of retirement the amount of  
7 the accumulated contributions standing to the member's credit in the  
8 employees' savings fund, less any amount identified as owing to an  
9 obligee upon withdrawal of accumulated contributions pursuant to a  
10 court order filed under RCW 41.50.670, at the time of death:

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

14 (b) If there be no such designated person or persons still living  
15 at the time of the member's death, or if a member fails to file a new  
16 beneficiary designation subsequent to marriage, remarriage, dissolution  
17 of marriage, divorce, or reestablishment of membership following  
18 termination by withdrawal or retirement, such accumulated  
19 contributions, less any amount identified as owing to an obligee upon

1 withdrawal of accumulated contributions pursuant to a court order filed  
2 under RCW 41.50.670, shall be paid to the surviving spouse as if in  
3 fact such spouse had been nominated by written designation as  
4 aforesaid, or if there be no such surviving spouse, then to the  
5 member's legal representatives.

6 (2) Upon the death in service, or while on authorized leave of  
7 absence for a period not to exceed one hundred and twenty days from the  
8 date of payroll separation, of any member who is qualified but has not  
9 applied for a service retirement allowance or has completed ten years  
10 of service at the time of death, the designated beneficiary, or the  
11 surviving spouse as provided in subsection (1) of this section, may  
12 elect to waive the payment provided by subsection (1) of this section.  
13 Upon such an election, a joint and one hundred percent survivor option  
14 under RCW 41.40.188, calculated under the retirement allowance  
15 described in RCW 41.40.185 or 41.40.190, whichever is greater,  
16 actuarially reduced by the amount of any lump sum benefit identified as  
17 owing to an obligee upon withdrawal of accumulated contributions  
18 pursuant to a court order filed under RCW 41.50.670 shall automatically  
19 be given effect as if selected for the benefit of the designated  
20 beneficiary. If the member is not then qualified for a service  
21 retirement allowance, such benefit shall be based upon the actuarial  
22 equivalent of the sum necessary to pay the accrued regular retirement  
23 allowance commencing when the deceased member would have first  
24 qualified for a service retirement allowance.

25 (3) Subsection (1) of this section, unless elected, shall not apply  
26 to any member who has applied for service retirement in RCW 41.40.180,  
27 as now or hereafter amended, and thereafter dies between the date of  
28 separation from service and the member's effective retirement date,  
29 where the member has selected a survivorship option under RCW  
30 41.40.188. In those cases the beneficiary named in the member's final  
31 application for service retirement may elect to receive either a cash  
32 refund, less any amount identified as owing to an obligee upon  
33 withdrawal of accumulated contributions pursuant to a court order filed  
34 under RCW 41.50.670, or monthly payments according to the option  
35 selected by the member.

36 (4) If a member who has received a determination of disability  
37 under RCW 41.40.230 and has selected a retirement option under RCW  
38 41.40.188 dies before receiving the first retirement payment, the  
39 beneficiary named in the member's final application for service

1 retirement may elect to receive either a cash refund, less any amount  
2 identified as owing to an obligee upon withdrawal of accumulated  
3 contributions pursuant to a court order filed under RCW 41.50.670, or  
4 monthly payments according to the option selected by the member.

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