

SB 6417 - H AMD 1851

By Representative Bergquist

WITHDRAWN 03/05/2020

1 On page 5, line 3, after "days after" insert "either (1)"

2
3 On page 5, line 4, after "allowance" insert ", or (2) a change to
4 a member's monthly allowance of more than ten percent due to findings
5 from an employer audit or other similar administrative action,"

6
7 On page 5, after line 7, insert the following:

8
9 "**Sec. 2.** RCW 41.32.785 and 2019 c 102 s 3 are each amended to
10 read as follows:

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

16 (a) Standard allowance. A member electing this option shall
17 receive a retirement allowance payable throughout such member's
18 life. However, if the retiree dies before the total of the
19 retirement allowance paid to such retiree equals the amount of such
20 retiree's accumulated contributions at the time of retirement, then
21 the balance shall be paid to the member's estate, or such person or
22 persons, trust, or organization as the retiree shall have nominated
23 by written designation duly executed and filed with the department;
24 or if there be no such designated person or persons still living at
25 the time of the retiree's death, then to the surviving spouse; or if
26 there be neither such designated person or persons still living at

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1 the time of death nor a surviving spouse, then to the retiree's
2 legal representative.

3 (b) The department shall adopt rules that allow a member to
4 select a retirement option that pays the member a reduced retirement
5 allowance and upon death, such portion of the member's reduced
6 retirement allowance as the department by rule designates shall be
7 continued throughout the life of and paid to a designated person.
8 Such person shall be nominated by the member by written designation
9 duly executed and filed with the department at the time of
10 retirement. The options adopted by the department shall include, but
11 are not limited to, a joint and one hundred percent survivor option
12 and a joint and fifty 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
15 as provided in (b) and (c) of this subsection. If a member is
16 married and both the member and member's spouse do not give written
17 consent to an option under this section, the department will pay the
18 member a joint and fifty percent survivor benefit and record the
19 member's spouse as the beneficiary. Such benefit shall be calculated
20 to be actuarially equivalent to the benefit options available under
21 subsection (1) of this section unless spousal consent is not
22 required as provided in (b) and (c) of this subsection.

23 (b) Written consent from a spouse or domestic partner is not
24 required if a member who is married or a domestic partner selects a
25 joint and survivor option under subsection (1)(b) of this section
26 and names the member's spouse or domestic partner as the survivor
27 beneficiary.

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

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

33 (ii) The spousal consent provisions of (a) of this subsection do
34 not apply.

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

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

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

10 (b) The retirement allowance payable to the retiree, as of July
11 1, 1998, or the date of the designated beneficiary's death,
12 whichever comes last, shall be increased by the percentage derived
13 in (c) of this subsection.

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

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

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

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

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

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

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

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

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

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

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

15 (a) A court-approved property settlement incident to a court
16 decree of dissolution made before retirement to provide that
17 benefits payable to a member who meets the length of service
18 requirements of RCW 41.32.815 and the member's divorcing spouse be
19 divided into two separate benefits payable over the life of each
20 spouse.

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

27 The nonmember ex spouse shall be eligible to commence receiving
28 their separate benefit upon reaching the age provided in RCW
29 41.32.765(1) and after filing a written application with the
30 department.

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

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

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

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

15 (6) Retirees have up to ninety calendar days after either (1)
16 the receipt of their first retirement allowance, or (2) a change to
17 the members' monthly allowance of more than ten percent due to
18 findings from an employer audit or other similar administrative
19 action, to change their survivor election under subsections (1) and
20 (2) of this section. If a member changes the member's survivor
21 election under this subsection the change is effective the first of
22 the following month and is prospective only.

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24 **Sec. 3.** RCW 41.32.851 and 2019 c 102 s 4 are each amended to
25 read as follows:

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

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

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1 (b) The department shall adopt rules that allow a member to
2 select a retirement option that pays the member a reduced retirement
3 allowance and upon death, such portion of the member's reduced
4 retirement allowance as the department by rule designates shall be
5 continued throughout the life of and paid to such person or persons
6 as the retiree shall have nominated by written designation duly
7 executed and filed with the department at the time of retirement.
8 The options adopted by the department shall include, but are not
9 limited to, a joint and one hundred percent survivor option and
10 joint and fifty 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
13 as provided in (b) and (c) of this subsection. If a member is
14 married and both the member and the member's spouse do not give
15 written consent to an option under this section, the department
16 shall pay a joint and fifty-percent survivor benefit calculated to
17 be actuarially equivalent to the benefit options available under
18 subsection (1) of this section unless spousal consent is not
19 required as provided in (b) and (c) of this subsection.

20 (b) Written consent from a spouse or domestic partner is not
21 required if a member who is married or a domestic partner selects a
22 joint and survivor option under subsection (1)(b) of this section
23 and names the member's spouse or domestic partner as the survivor
24 beneficiary.

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

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

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

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

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

8 (ii) A member who entered into a postretirement marriage prior
9 to the effective date of the rules adopted pursuant to this
10 subsection and satisfies the conditions of (a)(i) of this subsection
11 shall have one year to designate their spouse as a survivor
12 beneficiary following the 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,
18 to ensure that the benefits provided under this subsection remain
19 actuarially equivalent.

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

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

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

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1 The nonmember ex spouse shall be eligible to commence receiving
2 their separate benefit upon reaching the age provided in RCW
3 41.32.875(1) and after filing a written application with the
4 department.

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

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

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

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

22 (5) Retirees have up to ninety calendar days after either (1)
23 the receipt of their first retirement allowance, or (2) a change to
24 the members' monthly allowance of more than ten percent due to
25 findings from an employer audit or other similar administrative
26 action, to change their survivor election under subsections (1) and
27 (2) of this section. If a member changes the member's survivor
28 election under this subsection the change is effective the first of
29 the following month and is prospective only.

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31 **Sec. 4.** RCW 41.35.220 and 2019 c 102 s 5 are each amended to
32 read as follows:

33 (1) Upon retirement for service as prescribed in RCW 41.35.420
34 or 41.35.680 or retirement for disability under RCW 41.35.440 or

1 41.35.690, a member shall elect to have the retirement allowance
2 paid pursuant to one of the following options, calculated so as to
3 be actuarially equivalent to each other.

4 (a) Standard allowance. A member electing this option shall
5 receive a retirement allowance payable throughout such member's life.

6 (i) For members of plan 2, if the retiree dies before the total
7 of the retirement allowance paid to such retiree equals the amount
8 of such retiree's accumulated contributions at the time of
9 retirement, then the balance shall be paid to the member's estate,
10 or such person or persons, trust, or organization as the retiree
11 shall have nominated by written designation duly executed and filed
12 with the department; or if there be no such designated person or
13 persons still living at the time of the retiree's death, then to the
14 surviving spouse; or if there be neither such designated person or
15 persons still living at the time of death nor a surviving spouse,
16 then to the retiree's legal representative.

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

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

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

1 be actuarially equivalent to the benefit options available under
2 subsection (1) of this section unless spousal consent is not
3 required as provided in (b) and (c) of this subsection.

4 (b) Written consent from a spouse or domestic partner is not
5 required if a member who is married or a domestic partner selects a
6 joint and survivor option under subsection (1)(b) of this section
7 and names the member's spouse or domestic partner as the survivor
8 beneficiary.

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

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

14 (ii) The spousal consent provisions of (a) of this subsection do
15 not apply.

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

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

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

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

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

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

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

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

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

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

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

32 Both the retired member and the nonmember divorced spouse shall
33 be eligible to commence receiving their separate benefits upon
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1 filing a copy of the dissolution order with the department in
2 accordance with RCW 41.50.670.

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

7 (5) Retirees have up to ninety calendar days after either (1)
8 the receipt of their first retirement allowance, or (2) a change to
9 the members' monthly allowance of more than ten percent due to
10 findings from an employer audit or other similar administrative
11 action, to change their survivor election under subsections (1) and
12 (2) of this section. If a member changes the member's survivor
13 election under this subsection the change is effective the first of
14 the following month and is prospective only.

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16 **Sec. 5.** RCW 41.37.170 and 2019 c 102 s 6 are each amended to
17 read as follows:

18 (1) Upon retirement for service as prescribed in RCW 41.37.210
19 or retirement for disability under RCW 41.37.230, a member shall
20 elect to have the retirement allowance paid pursuant to one of the
21 following options, calculated so as to be actuarially equivalent to
22 each other.

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

1 (b) The department shall adopt rules that allow a member to
2 select a retirement option that pays the member a reduced retirement
3 allowance and upon death, the portion of the member's reduced
4 retirement allowance as the department by rule designates shall be
5 continued throughout the life of and paid to a person nominated by
6 the member by written designation duly executed and filed with the
7 department at the time of retirement. The options adopted by the
8 department shall include, but are not limited to, a joint and one
9 hundred percent survivor option and a joint and fifty percent
10 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
13 as provided in (b) and (c) of this subsection. If a member is
14 married and both the member and the member's spouse do not give
15 written consent to an option under this section, the department
16 shall pay a joint and fifty percent survivor benefit calculated to
17 be actuarially equivalent to the benefit options available under
18 subsection (1) of this section unless spousal consent is not
19 required as provided in (b) and (c) of this subsection.

20 (b) Written consent from a spouse or domestic partner is not
21 required if a member who is married or a domestic partner selects a
22 joint and survivor option under subsection (1)(b) of this section
23 and names the member's spouse or domestic partner as the survivor
24 beneficiary.

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

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

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

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

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

8 (ii) A member who entered into a postretirement marriage prior
9 to the effective date of the rules adopted pursuant to this
10 subsection and satisfies the conditions of (a)(i) of this subsection
11 shall have one year to designate their spouse as a survivor
12 beneficiary following the 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,
18 to ensure that the benefits provided under this subsection remain
19 actuarially equivalent.

20 (4) The department shall adopt rules to permit:

21 (a) A court-approved property settlement incident to a court
22 decree of dissolution made before retirement to provide that
23 benefits payable to a member who meets the length of service
24 requirements of RCW 41.37.210 and the member's divorcing spouse be
25 divided into two separate benefits payable over the life of each
26 spouse.

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

1 41.37.210(1) and after filing a written application with the
2 department.

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

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

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

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

20 (5) Retirees have up to ninety calendar days after either (1)
21 the receipt of their first retirement allowance, or (2) a change to
22 the members' monthly allowance of more than ten percent due to
23 findings from an employer audit or other similar administrative
24 action, to change their survivor election under subsections (1) and
25 (2) of this section. If a member changes the member's survivor
26 election under this subsection the change is effective the first of
27 the following month and is prospective only.

28

29 **Sec. 6.** RCW 41.40.660 and 2019 c 102 s 8 are each amended to
30 read as follows:

31 (1) Upon retirement for service as prescribed in RCW 41.40.630
32 or retirement for disability under RCW 41.40.670, a member shall
33 elect to have the retirement allowance paid pursuant to one of the
34

1 following options, calculated so as to be actuarially equivalent to
2 each other.

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

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

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

1 (b) Written consent from a spouse or domestic partner is not
2 required if a member who is married or a domestic partner selects a
3 joint and survivor option under subsection (1)(b) of this section
4 and names the member's spouse or domestic partner as the survivor
5 beneficiary.

6 (c) If a copy of a dissolution order designating a survivor
7 beneficiary under RCW 41.50.790 has been filed with the department
8 at 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
17 they 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
23 1, 1998, or the date of the designated beneficiary's death,
24 whichever comes last, shall be increased by the percentage derived
25 in (c) of this 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
28 this subsection converted to a percent;

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

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

33

34

1 (d) The adjustment under (b) of this subsection shall accrue
2 from 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
6 benefit options, and shall include, but are not limited to:

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

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

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

34

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

7 The nonmember ex spouse shall be eligible to commence receiving
8 their separate benefit upon reaching the age provided in RCW
9 41.40.630(1) and after filing a written application with the
10 department.

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

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

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

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

28 (6) Retirees have up to ninety calendar days after either (1)
29 the receipt of their first retirement allowance, or (2) a change to
30 the members' monthly allowance of more than ten percent due to
31 findings from an employer audit or other similar administrative
32 action, to change their survivor election under subsections (1) and
33 (2) of this section. If a member changes the member's survivor
34

1 election under this subsection the change is effective the first of
2 the following month and is prospective only.

3

4 **Sec. 7.** RCW 41.40.845 and 2019 c 102 s 9 are each amended to
5 read as follows:

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

11 (a) Standard allowance. A member electing this option shall
12 receive a retirement allowance payable throughout such member's
13 life. Upon the death of the member, the member's benefits shall cease.

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

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

33 (b) Written consent from a spouse or domestic partner is not
34 required if a member who is married or a domestic partner selects a

1 joint and survivor option under subsection (1)(b) of this section
2 and names the member's spouse or domestic partner as the survivor
3 beneficiary.

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

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

9 (ii) The spousal consent provisions of (a) of this subsection do
10 not apply.

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

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

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

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

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

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

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

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

13 The nonmember ex spouse shall be eligible to commence receiving
14 their separate benefit upon reaching the age provided in RCW
15 41.40.820(1) and after filing a written application with the
16 department.

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

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

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

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

34

1 (5) Retirees have up to ninety calendar days after either (1)
2 the receipt of their first retirement allowance, or (2) a change to
3 the members' monthly allowance of more than ten percent due to
4 findings from an employer audit or other similar administrative
5 action, to change their survivor election under subsections (1) and
6 (2) of this section. If a member changes the member's survivor
7 election under this subsection the change is effective the first of
8 the following month and is prospective only.

9

10 **Sec. 8.** RCW 43.43.271 and 2019 c 102 s 10 are each amended to
11 read as follows:

12 (1) A member commissioned on or after January 1, 2003, upon
13 retirement for service as prescribed in RCW 43.43.250 shall elect to
14 have the retirement allowance paid pursuant to the following
15 options, calculated so as to be actuarially equivalent to each other.

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

29 (b) The department shall adopt rules that allow a member to
30 select a retirement option that pays the member a reduced retirement
31 allowance and upon death, such portion of the member's reduced
32 retirement allowance as the department by rule designates shall be
33 continued throughout the life of and paid to a designated person.
34 Such person shall be nominated by the member by written designation

1 duly executed and filed with the department at the time of
2 retirement. The options adopted by the department shall include, but
3 are not limited to, a joint and one hundred percent survivor option
4 and a joint and fifty percent survivor option.

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

18 (b) Written consent from a spouse or domestic partner is not
19 required if a member who is married or a domestic partner selects a
20 joint and survivor option under subsection (1)(b) of this section
21 and names the member's spouse or domestic partner as the survivor
22 beneficiary.

23 (c) If a copy of a dissolution order designating a survivor
24 beneficiary under RCW 41.50.790 has been filed with the department
25 at 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 spouse or domestic partner consent provisions of (a) of
29 this subsection do not apply.

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

33 (a)(i) A retired member who retired without designating a
34 survivor beneficiary shall have the opportunity to designate their

1 spouse or domestic partner from a postretirement marriage or
2 domestic partnership as a survivor during a one-year period
3 beginning one year after the date of the postretirement marriage or
4 domestic partnership provided the retirement allowance payable to
5 the retiree is not subject to periodic payments pursuant to a
6 property division obligation as provided for in RCW 41.50.670.

7 (ii) A member who entered into a postretirement marriage or
8 domestic partnership prior to the effective date of the rules
9 adopted pursuant to this subsection and satisfies the conditions of
10 (a)(i) of this subsection shall have one year to designate their
11 spouse or domestic partner 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 or a
15 nondomestic partner as survivor beneficiary shall have the
16 opportunity to remove the survivor designation and have their future
17 benefit adjusted.

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

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

23 (a) A court-approved property settlement incident to a court
24 decree of dissolution made before retirement to provide that
25 benefits payable to a member who has completed at least five years
26 of service and the member's divorcing spouse or former domestic
27 partner be divided into two separate benefits payable over the life
28 of each spouse or domestic partner.

29 The member shall have available the benefit options of
30 subsection (1) of this section upon retirement, and if remarried or
31 in a domestic partnership at the time of retirement remains subject
32 to the spouse or domestic partner consent requirements of subsection
33 (2) of this section. Any reductions of the member's benefit
34

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

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

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

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

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

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

24 (5) Retirees have up to ninety calendar days after either (1)
25 the receipt of their first retirement allowance, or (2) a change to
26 the members' monthly allowance of more than ten percent due to
27 findings from an employer audit or other similar administrative
28 action, to change their survivor election under subsections (1) and
29 (2) of this section. If a member changes the member's survivor
30 election under this subsection the change is effective the first of
31 the following month and is prospective only."

32

33

Correct the title.

34

EFFECT: The 90-day window to change a survivor election also opens if a member's benefit changes by more than ten percent due to an employer audit or other similar administrative action. Also extends the 90-day window during which retired members may change their survivor benefit options to the Teachers' Retirement System Plans 2 and 3, the School Employees' Retirement System Plans 2 and 3, the Public Safety Employees' Retirement System Plan 2, the Public Employees' Retirement System Plans 2 and 3, and the Washington State Patrol Retirement System Plan 2.

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