

SB 6417 - H AMD 2064

By Representative Bergquist

ADOPTED 03/05/2020

1 On page 5, line 3, after "(6)" strike "Retirees" and insert
2 "Beginning on the date that the state receives a determination from
3 the federal internal revenue service that this subsection (6)
4 conforms with federal law, retirees"
5

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

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

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

15 (a) Standard allowance. A member electing this option shall
16 receive a retirement allowance payable throughout such member's
17 life. However, if the retiree dies before the total of the
18 retirement allowance paid to such retiree equals the amount of such
19 retiree's accumulated contributions at the time of retirement, then
20 the balance shall be paid to the member's estate, or such person or
21 persons, trust, or organization as the retiree shall have nominated
22 by written designation duly executed and filed with the department;
23 or if there be no such designated person or persons still living at
24 the time of the retiree's death, then to the surviving spouse; or if
25 there be neither such designated person or persons still living at
26 the time of death nor a surviving spouse, then to the retiree's
27 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, 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 a designated person.
6 Such person shall be nominated by the member by written designation
7 duly executed and filed with the department at the time of
8 retirement. The options adopted by the department shall include, but
9 are not limited to, a joint and one hundred percent survivor option
10 and a 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 member's spouse do not give written
15 consent to an option under this section, the department will pay the
16 member a joint and fifty percent survivor benefit and record the
17 member's spouse as the beneficiary. Such benefit shall be calculated
18 to be actuarially equivalent to the benefit options available under
19 subsection (1) of this section unless spousal consent is not
20 required as provided in (b) and (c) of this subsection.

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

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

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

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

33 (3)(a) Any member who retired before January 1, 1996, and who
34 elected to receive a reduced retirement allowance under subsection

1 (1)(b) or (2) of this section is entitled to receive a retirement
2 allowance adjusted in accordance with (b) of this subsection, if
3 they meet the following conditions:

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

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

8 (b) The retirement allowance payable to the retiree, as of July
9 1, 1998, or the date of the designated beneficiary's death,
10 whichever comes last, shall be increased by the percentage derived
11 in (c) of this subsection.

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

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

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

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

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

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

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

32 (ii) A member who entered into a postretirement marriage prior
33 to the effective date of the rules adopted pursuant to this
34 subsection and satisfies the conditions of (a)(i) of this subsection

1 shall have one year to designate their spouse as a survivor
2 beneficiary following the adoption of the rules.

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

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

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

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

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

24 The nonmember ex spouse shall be eligible to commence receiving
25 their separate benefit upon reaching the age provided in RCW
26 41.32.765(1) and after filing a written application with the
27 department.

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

33 The retired member may later choose the survivor benefit options
34 available in subsection (4) of this section. Any actuarial

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

3 Both the retired member and the nonmember divorced spouse shall
4 be eligible to commence receiving their separate benefits upon
5 filing a copy of the dissolution order with the department in
6 accordance with RCW 41.50.670.

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

11 (6) Beginning on the date that the state receives a
12 determination from the federal internal revenue service that this
13 subsection (6) conforms with federal law, retirees have up to ninety
14 calendar days after the receipt of their first retirement allowance
15 to change their survivor election under subsections (1) and (2) of
16 this section. If a member changes the member's survivor election
17 under this subsection the change is effective the first of the
18 following month and is prospective only.

19

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

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

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

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

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

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

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

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

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

25 (ii) The spousal consent provisions of (a) of this subsection do
26 not apply.

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

30 (a)(i) A retired member who retired without designating a
31 survivor beneficiary shall have the opportunity to designate their
32 spouse from a postretirement marriage as a survivor during a
33 one-year period beginning one year after the date of the
34 postretirement marriage provided the retirement allowance payable to

1 the retiree is not subject to periodic payments pursuant to a
2 property division obligation as provided for in RCW 41.50.670.

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

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

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

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

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

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

29 The nonmember ex spouse shall be eligible to commence receiving
30 their separate benefit upon reaching the age provided in RCW
31 41.32.875(1) and after filing a written application with the
32 department.

33 (b) A court-approved property settlement incident to a court
34 decree of dissolution made after retirement may only divide the

1 benefit into two separate benefits payable over the life of each
2 spouse if the nonmember ex spouse was selected as a survivor
3 beneficiary at retirement.

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

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

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

16 (5) Beginning on the date that the state receives a
17 determination from the federal internal revenue service that this
18 subsection (5) conforms with federal law, retirees have up to ninety
19 calendar days after the receipt of their first retirement allowance
20 to change their survivor election under subsections (1) and (2) of
21 this section. If a member changes the member's survivor election
22 under this subsection the change is effective the first of the
23 following month and is prospective only.

24

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

27 (1) Upon retirement for service as prescribed in RCW 41.35.420
28 or 41.35.680 or retirement for disability under RCW 41.35.440 or
29 41.35.690, a member shall elect to have the retirement allowance
30 paid pursuant to one of the following options, calculated so as to
31 be actuarially equivalent to each other.

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

34

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

12 (ii) For members of plan 3, upon the death of the retired
13 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, 2001, 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 pursuant to this
23 subsection and satisfies the conditions of (a)(i) of this subsection
24 shall have one year to designate their spouse as a survivor
25 beneficiary following 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 of plan 2 who meets the length of
4 service requirements of RCW 41.35.420, or a member of plan 3 who
5 meets the length of service requirements of RCW 41.35.680(1), and
6 the member's divorcing spouse be divided into two separate benefits
7 payable over the life of each spouse.

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

14 The nonmember ex spouse shall be eligible to commence receiving
15 their separate benefit upon reaching the ages provided in RCW
16 41.35.420(1) for members of plan 2, or RCW 41.35.680(1) for members
17 of plan 3, and after filing a written application with the department.

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

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

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

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

1 (5) Beginning on the date that the state receives a
2 determination from the federal internal revenue service that this
3 subsection (5) conforms with federal law, retirees have up to ninety
4 calendar days after the receipt of their first retirement allowance
5 to change their survivor election under subsections (1) and (2) of
6 this section. If a member changes the member's survivor election
7 under this subsection the change is effective the first of the
8 following month and is prospective only.

9

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

12 (1) Upon retirement for service as prescribed in RCW 41.37.210
13 or retirement for disability under RCW 41.37.230, a member shall
14 elect to have the retirement allowance paid pursuant to one of the
15 following options, calculated so as to be actuarially equivalent to
16 each other.

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

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

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

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

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

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

24 (ii) The spousal consent provisions of (a) of this subsection do
25 not apply.

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

29 (a)(i) A retired member who retired without designating a
30 survivor beneficiary shall have the opportunity to designate their
31 spouse from a postretirement marriage as a survivor during a
32 one-year period beginning one year after the date of the
33 postretirement marriage provided the retirement allowance payable to
34

1 the retiree is not subject to periodic payments pursuant to a
2 property division obligation as provided for in RCW 41.50.670.

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

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

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

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

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

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

28 The nonmember ex spouse shall be eligible to commence receiving
29 their separate benefit upon reaching the age provided in RCW
30 41.37.210(1) and after filing a written application with the
31 department.

32 (b) A court-approved property settlement incident to a court
33 decree of dissolution made after retirement may only divide the
34 benefit into two separate benefits payable over the life of each

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 (3) 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 (5) Beginning on the date that the state receives a
16 determination from the federal internal revenue service that this
17 subsection (5) conforms with federal law, retirees have up to ninety
18 calendar days after the receipt of their first retirement allowance
19 to change their survivor election under subsections (1) and (2) of
20 this section. If a member changes the member's survivor election
21 under this subsection the change is effective the first of the
22 following month and is prospective only.

23

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

26 (1) Upon retirement for service as prescribed in RCW 41.40.630
27 or retirement for disability under RCW 41.40.670, 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. However, if the retiree dies before the total of the
34 retirement allowance paid to such retiree equals the amount of such

1 retiree's accumulated contributions at the time of retirement, then
2 the balance shall be paid to the member's estate, or such person or
3 persons, trust, or organization as the retiree shall have nominated
4 by written designation duly executed and filed with the department;
5 or if there be no such designated person or persons still living at
6 the time of the retiree's death, then to the surviving spouse; or if
7 there be neither such designated person or persons still living at
8 the time of death nor a surviving spouse, then to the retiree's
9 legal representative.

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

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

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

34

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

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

6 (ii) The spousal consent provisions of (a) of this subsection do
7 not apply.

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

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

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

17 (b) The retirement allowance payable to the retiree, as of July
18 1, 1998, or the date of the designated beneficiary's death,
19 whichever comes last, shall be increased by the percentage derived
20 in (c) of this subsection.

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

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

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

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

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

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

34

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 (5) 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 41.40.720 and the member's divorcing spouse be
26 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.

34

1 The nonmember ex spouse shall be eligible to commence receiving
2 their separate benefit upon reaching the age provided in RCW
3 41.40.630(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 (4) 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 (6) Beginning on the date that the state receives a
23 determination from the federal internal revenue service that this
24 subsection (6) conforms with federal law, retirees have up to ninety
25 calendar days after the receipt of their first retirement allowance
26 to change their survivor election under subsections (1) and (2) of
27 this section. If a member changes the member's survivor election
28 under this subsection the change is effective the first of the
29 following month and is prospective only.

30

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

33 (1) Upon retirement for service as prescribed in RCW 41.40.820
34 or retirement for disability under RCW 41.40.825, a member shall

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

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

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

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

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

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

34

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

3 (ii) The spousal consent provisions of (a) of this subsection do
4 not apply.

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

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

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

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

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

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

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

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 41.40.820(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 (3) 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 (5) Beginning on the date that the state receives a
29 determination from the federal internal revenue service that this
30 subsection (5) conforms with federal law, retirees have up to ninety
31 calendar days after the receipt of their first retirement allowance
32 to change their survivor election under subsections (1) and (2) of
33 this section. If a member changes the member's survivor election

34

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

3

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

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

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

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

33 (2)(a) A member, if married or in a domestic partnership, must
34 provide the written consent of his or her spouse or domestic partner

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

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

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

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

22 (ii) The spouse or domestic partner consent provisions of (a) of
23 this subsection do not apply.

24 (3) No later than January 1, 2003, the department shall adopt
25 rules 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 or domestic partner from a postretirement marriage or
30 domestic partnership as a survivor during a one-year period
31 beginning one year after the date of the postretirement marriage or
32 domestic partnership provided the retirement allowance payable to
33 the retiree is not subject to periodic payments pursuant to a
34 property division obligation as provided for in RCW 41.50.670.

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

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

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

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

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

23 The member shall have available the benefit options of
24 subsection (1) of this section upon retirement, and if remarried or
25 in a domestic partnership at the time of retirement remains subject
26 to the spouse or domestic partner consent requirements of subsection
27 (2) of this section. Any reductions of the member's benefit
28 subsequent to the division into two separate benefits shall be made
29 solely to the separate benefit of the member.

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

34

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

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

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

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

18 (5) Beginning on the date that the state receives a
19 determination from the federal internal revenue service that this
20 subsection (5) conforms with federal law, retirees have up to ninety
21 calendar days after the receipt of their first retirement allowance
22 to change their survivor election under subsections (1) and (2) of
23 this section. If a member changes the member's survivor election
24 under this subsection the change is effective the first of the
25 following month and is prospective only."

26

27

Correct the title.

28

EFFECT: Conditions the offering of the 90-day window for
retirees to change their survivor benefit election on approval by
the federal Internal Revenue Service. 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'

34

Retirement System Plans 2 and 3, and the Washington State Patrol
Retirement System Plan 2.

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