

# HOUSE BILL REPORT

## HB 1408

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### As Passed Legislature

**Title:** An act relating to clarifying the written consent requirement for survivorship benefit options.

**Brief Description:** Clarifying the written consent requirement for survivorship benefit options.

**Sponsors:** Representatives Volz, Ormsby, Fitzgibbon and Bergquist; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board.

#### **Brief History:**

##### **Committee Activity:**

Appropriations: 2/18/19, 2/20/19 [DP].

##### **Floor Activity:**

Passed House: 3/4/19, 96-0.

Passed Senate: 4/10/19, 45-1.

Passed Legislature.

#### **Brief Summary of Bill**

- Provides that written consent of a spouse or domestic partner is not required for a member of the state retirement systems to select a survivor benefit option at retirement if the spouse or domestic partner is the survivor beneficiary.
- Applies the provision to the Law Enforcement Officers' and Firefighters', Teachers', School Employees', Public Safety Employees', Public Employees', and Washington State Patrol Retirement Systems.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 32 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Calder, Cody, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Jinkins, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Springer, Stanford, Steele, Sullivan, Sutherland, Tarleton, Tharinger, Volz and Ybarra.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** David Pringle (786-7310).

**Background:**

Under current law, members of most plans of the Washington State Retirement Systems administered by the Department of Retirement Systems have the option of selecting a survivorship benefit as part of their pension benefit upon retirement. With a survivorship benefit, the member's lifetime monthly benefit is actuarially reduced. This means that today's value of the member's lifetime benefit remains the same; however depending on the benefit option selected, the monthly payments received by the member may be larger or smaller. The payments may be larger or smaller because they are stretched out over the course of the member's and survivor beneficiary's lifetime.

Pension benefits earned during the duration of a marriage are considered community property, and state law requires written consent of the spouse or domestic partner for any married member to not elect a survivorship benefit. Similarly, spousal or domestic partner consent is required for a member to name someone other than a spouse as their survivor beneficiary, or choose a survivor benefit that is not the joint and 50 percent option.

**Summary of Bill:**

The written consent of a spouse or domestic partner is not required for a member of the Washington State Retirement Systems to select a survivor benefit option at retirement if the spouse or domestic partner is the survivor beneficiary.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill just allows for the default of a survivor benefit for the spouse or domestic partner with no written consent. Only if the spouse or domestic partner is not getting a survivor benefit, is consent going to be required. The Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board recommended this bill.

(Opposed) None.

**Persons Testifying:** Representative Volz, prime sponsor; and Ryan Frost, Law Enforcement Officers' and Fire Fighters' Plan 2 Board.

**Persons Signed In To Testify But Not Testifying:** None.