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SENATE BILL 5510

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State of Washington

53rd Legislature

1993 Regular Session

By Senator Niemi

Read first time 02/01/93. Referred to Committee on Ways & Means.

1 AN ACT Relating to the Washington public employees' retirement  
2 system; and amending RCW 41.32.762.

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

4 **Sec. 1.** RCW 41.32.762 and 1982 c 144 s 2 are each amended to read  
5 as follows:

6 (1) On or after June 10, 1982, the director may pay a beneficiary,  
7 (~~as defined in \*RCW 41.04.040(3),~~) subject to the provisions of  
8 subsection (4) of this section, a lump sum payment in lieu of a monthly  
9 benefit if the initial monthly benefit computed in accordance with RCW  
10 41.32.760 would be less than fifty dollars. The lump sum payment shall  
11 be the greater of the actuarial equivalent of such monthly benefits or  
12 an amount equal to the individual's accumulated contributions plus  
13 accrued interest.

14 (2) A beneficiary, (~~as defined in \*RCW 41.04.040(3),~~) subject to  
15 the provisions of subsection (4) of this section, who is receiving a  
16 regular monthly benefit of less than fifty dollars may request, in  
17 writing, to convert from a monthly benefit to a lump sum payment. If  
18 the director approves the conversion, the calculation of the actuarial  
19 equivalent of the total estimated regular benefit will be computed

1 based on the beneficiary's age at the time the benefit initially  
2 accrued. The lump sum payment will be reduced to reflect any payments  
3 received on or after the initial benefit accrual date.

4 (3) Persons covered under the provisions of subsection (1) of this  
5 section may upon returning to member status (~~as defined in \*RCW~~  
6 ~~41.04.040(2)~~) reinstate all previous service by depositing the lump  
7 sum payment received, with interest as computed by the director, within  
8 two years of returning to service or prior to re-retiring, whichever  
9 comes first. In computing the amount due, the director shall exclude  
10 the accumulated value of the normal payments the member would have  
11 received while in beneficiary status if the lump sum payment had not  
12 occurred.

13 The department of retirement systems shall notify all public  
14 employees' retirement system plan II members, who reenter state  
15 service, of their ability to restore withdrawn contributions, and  
16 inform members of the amount due and the repayment schedule.

17 (4) Only persons entitled to or receiving a service retirement  
18 allowance under RCW 41.32.760 or an earned disability allowance under  
19 RCW 41.32.790 qualify for participation under this section.

20 (5) It is the intent of the legislature that any member who  
21 receives a settlement under this section shall be deemed to be retired  
22 from this system.

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