
SUBSTITUTE SENATE BILL 5850

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Haugen, McCaslin, Fraser, Loveland, Deccio, Winsley and Rasmussen)

Read first time 02/25/1999.

1 AN ACT Relating to the impact of retirement allowance adjustments
2 on state-funded long-term care services; amending RCW 41.40.188;
3 creating a new section; and declaring an emergency.

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

5 **Sec. 1.** RCW 41.40.188 and 1998 c 340 s 8 are each amended to read
6 as follows:

7 (1) Upon retirement for service as prescribed in RCW 41.40.180 or
8 retirement for disability under RCW 41.40.210 or 41.40.230, a member
9 shall elect to have the retirement allowance paid pursuant to one of
10 the following options calculated so as to be actuarially equivalent to
11 each other.

12 (a) Standard allowance. A member electing this option shall
13 receive a retirement allowance payable throughout such member's life.
14 However, if the retiree dies before the total of the retirement
15 allowance paid to such retiree equals the amount of such retiree's
16 accumulated contributions at the time of retirement, then the balance
17 shall be paid to the member's estate, or such person or persons, trust,
18 or organization as the retiree shall have nominated by written
19 designation duly executed and filed with the department; or if there be

1 no such designated person or persons still living at the time of the
2 retiree's death, then to the surviving spouse; or if there be neither
3 such designated person or persons still living at the time of death nor
4 a surviving spouse, then to the retiree's legal representative.

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

14 (c) A member may elect to include the benefit provided under RCW
15 41.40.640 along with the retirement options available under this
16 section. This retirement allowance option shall be calculated so as to
17 be actuarially equivalent to the options offered under this subsection.

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

26 (b) If a copy of a dissolution order designating a survivor
27 beneficiary under RCW 41.50.790 has been filed with the department at
28 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
35 (1)(b) or (2) of this section is entitled to receive a retirement
36 allowance adjusted in accordance with (b) of this subsection, if they
37 meet the following conditions:

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

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

3 (b) The retirement allowance payable to the retiree, as of July 1,
4 1998, or the date of the designated beneficiary's death, whichever
5 comes last, shall be increased by the percentage derived in (c) of this
6 subsection.

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

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

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

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

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

17 (e) A retiree who is receiving state-funded long-term care services
18 is not eligible for the increase provided by this subsection if the
19 increase would make the retiree ineligible for state-funded long-term
20 care services. For the purposes of this subsection (3)(e) "state-
21 funded long-term care services" means a state-funded adult family home,
22 adult residential care, assisted living, enhanced adult residential
23 care, in-home care, or nursing home service, as defined in RCW
24 74.39A.009, for which the retiree is required to contribute all income
25 other than a specified amount reserved for the retiree's personal
26 maintenance needs. Retirees who are subject to this subsection (3)(e)
27 shall notify the department in writing. The department has no
28 affirmative duty to identify retirees who are subject to this
29 subsection (3)(e). If a retiree receives overpayments due to the
30 failure, for any reason, of the department to withhold payment of the
31 increase, the department shall modify the retirement allowance on a
32 prospective basis and shall not reduce the retirement allowance to
33 recover past overpayments.

34 NEW SECTION. Sec. 2. This act applies to all payments under RCW
35 41.40.188(3) made on or after the effective date of this act,
36 regardless of the date of retirement.

1 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately.

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