

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2604**

Chapter 186, Laws of 2000

56th Legislature  
2000 Regular Session

RETIREMENT ALLOWANCES--SURVIVOR BENEFIT OPTIONS

EFFECTIVE DATE: 6/8/00 - Except section 6, which becomes effective 9/1/00.

Passed by the House March 7, 2000  
Yeas 98 Nays 0

CLYDE BALLARD  
**Speaker of the House of Representatives**

FRANK CHOPP  
**Speaker of the House of Representatives**

Passed by the Senate March 1, 2000  
Yeas 43 Nays 0

BRAD OWEN  
**President of the Senate**

Approved March 27, 2000

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2604** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER  
**Chief Clerk**

TIMOTHY A. MARTIN  
**Chief Clerk**

FILED

March 27, 2000 - 5:04 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2604**

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AS AMENDED BY THE SENATE

Passed Legislature - 2000 Regular Session

**State of Washington                      56th Legislature                      2000 Regular Session**

**By** House Committee on Appropriations (originally sponsored by Representatives Doumit, Alexander, Wolfe, Delvin, Conway, Carlson, H. Sommers, McDonald, Schoesler, Pflug, Talcott, Clements, Bush, Keiser, Haigh, Rockefeller, Kagi and Hurst; by request of Joint Committee on Pension Policy)

Read first time 02/02/2000. Referred to Committee on .

1            AN ACT Relating to options for payment of retirement allowances;  
2 amending RCW 41.26.460, 41.32.530, 41.32.785, 41.32.851, 41.35.220,  
3 41.40.188, 41.40.660, and 43.43.278; creating a new section; and  
4 providing an effective date.

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

6            **Sec. 1.** RCW 41.26.460 and 1998 c 340 s 5 are each amended to read  
7 as follows:

8            (1) Upon retirement for service as prescribed in RCW 41.26.430 or  
9 disability retirement under RCW 41.26.470, a member shall elect to have  
10 the retirement allowance paid pursuant to the following options,  
11 calculated so as to be actuarially equivalent to 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 designated person. Such person  
10 shall be nominated by the member by written designation duly executed  
11 and filed with the department at the time of retirement. The options  
12 adopted by the department shall include, but are not limited to, a  
13 joint and one hundred percent survivor option and a joint and fifty  
14 percent survivor option.

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

25 (b) If a copy of a dissolution order designating a survivor  
26 beneficiary under RCW 41.50.790 has been filed with the department at  
27 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)(a) Any member who retired before January 1, 1996, and who  
33 elected to receive a reduced retirement allowance under subsection  
34 (1)(b) or (2) of this section is entitled to receive a retirement  
35 allowance adjusted in accordance with (b) of this subsection, if they  
36 meet the following conditions:

37 (i) The retiree's designated beneficiary predeceases or has  
38 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 (4) No later than July 1, 2001, the department shall adopt rules  
18 that allow a member additional actuarially equivalent survivor benefit  
19 options, and shall include, but are not limited to:

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

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

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

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

1       **Sec. 2.** RCW 41.32.530 and 1998 c 340 s 6 are each amended to read  
2 as follows:

3       (1) Upon an application for retirement for service under RCW  
4 41.32.480 or retirement for disability under RCW 41.32.550, approved by  
5 the department, every member shall receive the maximum retirement  
6 allowance available to him or her throughout life unless prior to the  
7 time the first installment thereof becomes due he or she has elected,  
8 by executing the proper application therefor, to receive the actuarial  
9 equivalent of his or her retirement allowance in reduced payments  
10 throughout his or her life with the following options:

11       (a) Standard allowance. If he or she dies before he or she has  
12 received the present value of his or her accumulated contributions at  
13 the time of his or her retirement in annuity payments, the unpaid  
14 balance shall be paid to his or her estate or to such person, trust, or  
15 organization as he or she shall have nominated by written designation  
16 executed and filed with the department.

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

28       (c) Such other benefits shall be paid to a member receiving a  
29 retirement allowance under RCW 41.32.497 as the member may designate  
30 for himself, herself, or others equal to the actuarial value of his or  
31 her retirement annuity at the time of his retirement: PROVIDED, That  
32 the board of trustees shall limit withdrawals of accumulated  
33 contributions to such sums as will not reduce the member's retirement  
34 allowance below one hundred and twenty dollars per month.

35       (d) A member whose retirement allowance is calculated under RCW  
36 41.32.498 may also elect to receive a retirement allowance based on  
37 options available under this subsection that includes the benefit  
38 provided under RCW 41.32.770. This retirement allowance option shall  
39 also be calculated so as to be actuarially equivalent to the maximum

1 retirement allowance and to the options available under this  
2 subsection.

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

13 (b) If a copy of a dissolution order designating a survivor  
14 beneficiary under RCW 41.50.790 has been filed with the department at  
15 least thirty days prior to a member's retirement:

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

18 (ii) The spousal consent provisions of (a) of this subsection do  
19 not apply.

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

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

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

29 (b) The retirement allowance payable to the retiree, as of July 1,  
30 1998, or the date of the designated beneficiary's death, whichever  
31 comes last, shall be increased by the percentage derived in (c) of this  
32 subsection.

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

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

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

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

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

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

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

26 NEW SECTION. Sec. 3. No later than July 1, 2000, the department  
27 of retirement systems shall allow a member who: (1) Has attained  
28 ninety years of age, and (2) elected to receive a reduced retirement  
29 allowance under RCW 41.32.530 and designated a nonspouse as survivor  
30 beneficiary, the opportunity to remove the survivor designation and  
31 have their future benefit adjusted.

32 **Sec. 4.** RCW 41.32.785 and 1998 c 340 s 7 are each amended to read  
33 as follows:

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

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

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

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

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

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

38 (ii) The spousal consent provisions of (a) of this subsection do  
39 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 they  
5 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 1,  
11 1998, or the date of the designated beneficiary's death, whichever  
12 comes last, shall be increased by the percentage derived in (c) of this  
13 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 this  
16 subsection converted to a percent;

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

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

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

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

34 (ii) A member who entered into a postretirement marriage prior to  
35 the effective date of the rules adopted pursuant to this subsection and  
36 satisfies the conditions of (a)(i) of this subsection shall have one  
37 year to designate their spouse as a survivor beneficiary following the  
38 adoption of the rules.

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

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

8       **Sec. 5.** RCW 41.32.851 and 1995 c 239 s 108 are each amended to  
9 read as follows:

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

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

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

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

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

37       (a)(i) A retired member who retired without designating a survivor  
38 beneficiary shall have the opportunity to designate their spouse from

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

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

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

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

18 **Sec. 6.** RCW 41.35.220 and 1998 c 341 s 23 are each amended to read  
19 as follows:

20 (1) Upon retirement for service as prescribed in RCW 41.35.420 or  
21 41.35.680 or retirement for disability under RCW 41.35.440 or  
22 41.35.690, a member shall elect to have the retirement allowance paid  
23 pursuant to one of the following options, calculated so as to be  
24 actuarially equivalent to each other.

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

37 (b) The department shall adopt rules that allow a member to select  
38 a retirement option that pays the member a reduced retirement allowance

1 and upon death, such portion of the member's reduced retirement  
2 allowance as the department by rule designates shall be continued  
3 throughout the life of and paid to a person nominated by the member by  
4 written designation duly executed and filed with the department at the  
5 time of retirement. The options adopted by the department shall  
6 include, but are not limited to, a joint and one hundred percent  
7 survivor option and a joint and fifty percent survivor option.

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

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

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

21 (ii) The spousal consent provisions of (a) of this subsection do  
22 not apply.

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

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

33 (ii) A member who entered into a postretirement marriage prior to  
34 the effective date of the rules adopted pursuant to this subsection and  
35 satisfies the conditions of (a)(i) of this subsection shall have one  
36 year to designate their spouse as a survivor beneficiary following the  
37 adoption of the rules.

38 (b) A retired member who elected to receive a reduced retirement  
39 allowance under this section and designated a nonspouse as survivor

1 beneficiary shall have the opportunity to remove the survivor  
2 designation and have their future benefit adjusted.

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

6 **Sec. 7.** RCW 41.40.188 and 1998 c 340 s 8 are each amended to read  
7 as follows:

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

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

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

34 (c) A member may elect to include the benefit provided under RCW  
35 41.40.640 along with the retirement options available under this  
36 section. This retirement allowance option shall be calculated so as to  
37 be actuarially equivalent to the options offered under this subsection.

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

9 (b) If a copy of a dissolution order designating a survivor  
10 beneficiary under RCW 41.50.790 has been filed with the department at  
11 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)(a) Any member who retired before January 1, 1996, and who  
17 elected to receive a reduced retirement allowance under subsection  
18 (1)(b) or (2) of this section is entitled to receive a retirement  
19 allowance adjusted in accordance with (b) of this subsection, if they  
20 meet the following conditions:

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

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

25 (b) The retirement allowance payable to the retiree, as of July 1,  
26 1998, or the date of the designated beneficiary's death, whichever  
27 comes last, shall be increased by the percentage derived in (c) of this  
28 subsection.

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

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

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

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

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

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

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

11       (ii) A member who entered into a postretirement marriage prior to  
12 the effective date of the rules adopted pursuant to this subsection and  
13 satisfies the conditions of (a)(i) of this subsection shall have one  
14 year to designate their spouse as a survivor beneficiary following the  
15 adoption of the rules.

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

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

23       **Sec. 8.** RCW 41.40.660 and 1998 c 340 s 9 are each amended to read  
24 as follows:

25       (1) Upon retirement for service as prescribed in RCW 41.40.630 or  
26 retirement for disability under RCW 41.40.670, a member shall elect to  
27 have the retirement allowance paid pursuant to one of the following  
28 options, calculated so as to be actuarially equivalent to each other.

29       (a) Standard allowance. A member electing this option shall  
30 receive a retirement allowance payable throughout such member's life.  
31 However, if the retiree dies before the total of the retirement  
32 allowance paid to such retiree equals the amount of such retiree's  
33 accumulated contributions at the time of retirement, then the balance  
34 shall be paid to the member's estate, or such person or persons, trust,  
35 or organization as the retiree shall have nominated by written  
36 designation duly executed and filed with the department; or if there be  
37 no such designated person or persons still living at the time of the  
38 retiree's death, then to the surviving spouse; or if there be neither

1 such designated person or persons still living at the time of death nor  
2 a surviving spouse, then to the retiree's legal representative.

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

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

20 (b) If a copy of a dissolution order designating a survivor  
21 beneficiary under RCW 41.50.790 has been filed with the department at  
22 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)(a) Any member who retired before January 1, 1996, and who  
28 elected to receive a reduced retirement allowance under subsection  
29 (1)(b) or (2) of this section is entitled to receive a retirement  
30 allowance adjusted in accordance with (b) of this subsection, if they  
31 meet the following conditions:

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

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

36 (b) The retirement allowance payable to the retiree, as of July 1,  
37 1998, or the date of the designated beneficiary's death, whichever  
38 comes last, shall be increased by the percentage derived in (c) of this  
39 subsection.



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

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

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

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

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

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

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

21 (ii) A member who entered into a postretirement marriage prior to  
22 the effective date of the rules adopted pursuant to this subsection 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 the  
25 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, to  
31 ensure that the benefits provided under this subsection remain  
32 actuarially equivalent.

33 **Sec. 9.** RCW 43.43.278 and 1999 c 74 s 4 are each amended to read  
34 as follows:

35 By July 1, 2000, the department of retirement systems shall adopt  
36 rules that allow a member to select(~~(, in lieu of benefits under RCW~~  
37 ~~43.43.270,)) an actuarially equivalent retirement option that pays the  
38 member a reduced retirement allowance and upon death shall be continued~~

1 throughout the life of a lawful surviving spouse. The continuing  
2 allowance to the lawful surviving spouse shall be subject to the yearly  
3 increase provided by RCW 43.43.260(5) in lieu of the annual increase  
4 provided in RCW 43.43.272. The allowance to the lawful surviving  
5 spouse under this section, and the allowance for an eligible child or  
6 children under RCW 43.43.270, shall not be subject to the limit for  
7 combined benefits under RCW 43.43.270.

8 NEW SECTION. **Sec. 10.** Section 6 of this act takes effect  
9 September 1, 2000.

Passed the House March 7, 2000.

Passed the Senate March 1, 2000.

Approved by the Governor March 27, 2000.

Filed in Office of Secretary of State March 27, 2000.