

WAC 415-108-315 How do I designate a beneficiary, and who will receive a distribution if I die before retirement? (1) If you die before retirement, the following statutes govern any distribution from your account:

- (a) RCW 41.40.270 for Plan 1 members;
- (b) RCW 41.40.700 for Plan 2 members;
- (c) RCW 41.40.835 for Plan 3 members' defined benefits; and
- (d) RCW 41.34.070 for Plan 3 members' defined contributions. See example three.

(2) You may designate or change a beneficiary by submitting a *beneficiary designation form* to the department. Your designation will become effective upon the department's receipt of the form, only if it is completed properly and signed by you. Strict compliance with these provisions is required.

(3) You may name one or more of the following as a beneficiary or beneficiaries:

(a) An organization or person, including unborn or later adopted children. However, unborn or later adopted children must be specifically designated as beneficiaries on the form. You must indicate the date of birth for any living person you name as a beneficiary.

(b) Your estate.

(c) An existing trust, or a trust to be established at a later date or under your last will. If you designate a trust that is not in existence at the time of your death, or is not created under your last will, the designation will be invalid. Before making a distribution to any trust the department must receive:

(i) A copy of the entire trust document;

(ii) The name, address, and telephone number of the current trustee; and

(iii) The tax identification number.

(4) You may name contingent beneficiaries in addition to primary beneficiaries.

(5) You may change your beneficiary designation at any time.

(6) A change in marital status may invalidate your prior designation.

(7) If your surviving spouse is eligible to receive a benefit under RCW 41.40.270(2) (Plan 1) or 41.40.700(2) (Plan 2), but your spouse dies before requesting a distribution, your minor children and your spouse's minor children may elect to receive either:

(a) Your accumulated contributions; or

(b) A monthly benefit, share and share alike, until each child reaches the age of majority. See example four.

(8) For Plan 3 members, if you were eligible but had not applied for a service retirement or had completed enough service to be eligible for a service retirement at the time of your death, your surviving spouse, or your minor children or your spouse's minor children, if your spouse is deceased, is eligible to receive a defined benefit under RCW 41.40.835.

Examples:

EXAMPLE ONE.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists the "Barbara Trust." His daughter Barbara is the trust beneficiary. He checks the box to indicate that the trust is a primary beneficiary.

Result

At John's death, Ann and the Barbara Trust are the primary beneficiaries. The department will require the name of the trustee, the tax identification number, a copy of the entire trust and other information specified in this rule before distribution to the trust. Distribution is governed by RCW 41.40.270 for Plan 1 members, RCW 41.40.700 for Plan 2 members, and RCW 41.34.070 for Plan 3 members.

EXAMPLE TWO.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists his daughter Barbara personally; i.e., no trust name is provided. John checks the corresponding box to indicate a primary beneficiary designation. At John's death, the department learns that John has created no trusts.

Result

Because John has created no trust, the designation of the Barbara Trust is void. Barbara, personally, will not be a beneficiary.

EXAMPLE THREE.

Facts

When she became a PERS 1 member, Joan was unmarried and named her mother as her beneficiary. Joan later married, but did not complete a new beneficiary form before she died with four years of service.

Result

Unless required to do otherwise by court order, the department will comply with RCW 41.40.270 (1)(b) and pay Joan's surviving spouse the accumulated contributions in her retirement account. In this case, Joan's mother will not receive a distribution.

EXAMPLE FOUR.

Facts

John is a PERS Plan 2 member with eleven years of service. He and his wife Mary have a total of three minor children. They have one child together, and each has one child from a previous marriage.

John and Mary were in a skydiving accident. John died instantly making Mary eligible for a benefit under RCW 41.40.700(2). However, Mary died the following week before requesting a distribution from the department.

Result

Since Mary died before requesting a distribution of John's account, John and Mary's three minor children are eligible and opt to receive a monthly benefit, share and share alike, until each child reaches the age of majority.

[Statutory Authority: RCW 41.50.050(5). WSR 14-06-056, § 415-108-315, filed 2/27/14, effective 3/30/14; WSR 05-12-041, § 415-108-315, filed 5/25/05, effective 6/25/05. Statutory Authority: RCW 41.50.050(5), 41.40.270, 41.40.700, 41.40.835. WSR 02-03-120, § 415-108-315, filed 1/23/02, effective 3/1/02. Statutory Authority: RCW 41.50.050. WSR 00-10-015, § 415-108-315, filed 4/21/00, effective 5/22/00.]