
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-5029.1/00

ATTY/TYPIST: LL:ads

BRIEF DESCRIPTION:

2 **ESSB 6533** - H COMM AMD
3 By Committee on Appropriations

4

5 Strike everything after the enacting clause and insert the
6 following:

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

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

35 (2)(a) A member, if married, must provide the written consent of
36 his or her spouse to the option selected under this section, except as

1 provided in (b) of this subsection. If a member is married and both
2 the member and member's spouse do not give written consent to an option
3 under this section, the department will pay the member a joint and
4 fifty percent survivor benefit and record the member's spouse as the
5 beneficiary. Such benefit shall be calculated to be actuarially
6 equivalent to the benefit options available under subsection (1) of
7 this section unless spousal consent is not required as provided in (b)
8 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. 2.** RCW 41.32.530 and 1998 c 340 s 6 are each amended to read
24 as follows:

25 (1) Upon an application for retirement for service under RCW
26 41.32.480 or retirement for disability under RCW 41.32.550, approved by
27 the department, every member shall receive the maximum retirement
28 allowance available to him or her throughout life unless prior to the
29 time the first installment thereof becomes due he or she has elected,
30 by executing the proper application therefor, to receive the actuarial
31 equivalent of his or her retirement allowance in reduced payments
32 throughout his or her life with the following options:

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

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

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

19 (d) A member whose retirement allowance is calculated under RCW
20 41.32.498 may also elect to receive a retirement allowance based on
21 options available under this subsection that includes the benefit
22 provided under RCW 41.32.770. This retirement allowance option shall
23 also be calculated so as to be actuarially equivalent to the maximum
24 retirement allowance and to the options available under this
25 subsection.

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

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

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

3 (ii) The spousal consent provisions of (a) of this subsection do
4 not apply.

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

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

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

14 (b) The retirement allowance payable to the retiree, as of July 1,
15 1998, or the date of the designated beneficiary's death, whichever
16 comes last, shall be increased by the percentage derived in (c) of this
17 subsection.

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

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

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

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

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

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

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

38 (ii) A member who entered into a postretirement marriage prior to
39 the effective date of the rules adopted pursuant to this subsection and

1 satisfies the conditions of (a)(i) of this subsection shall have one
2 year to designate their spouse as a survivor beneficiary following the
3 adoption of the rules.

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

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

11 **Sec. 3.** RCW 41.32.785 and 1998 c 340 s 7 are each amended to read
12 as follows:

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

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

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

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 member's spouse do not give written consent to an option
5 under this section, the department will pay the member a joint and
6 fifty percent survivor benefit and record the member's spouse as the
7 beneficiary. Such benefit shall be calculated to be actuarially
8 equivalent to the benefit options available under subsection (1) of
9 this section unless spousal consent is not required as provided in (b)
10 of this subsection.

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

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

16 (ii) The spousal consent provisions of (a) of this subsection do
17 not apply.

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

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

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

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

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

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

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

36 (iii) The joint and survivor option factor shall be from the table
37 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 **Sec. 4.** RCW 41.32.851 and 1995 c 239 s 108 are each amended to
27 read as follows:

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

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

35 (b) The department shall adopt rules that allow a member to select
36 a retirement option that pays the member a reduced retirement allowance
37 and upon death, such portion of the member's reduced retirement
38 allowance as the department by rule designates shall be continued

1 throughout the life of and paid to such person or persons as the
2 retiree shall have nominated by written designation duly executed and
3 filed with the department at the time of retirement. The options
4 adopted by the department shall include, but are not limited to, a
5 joint and one hundred percent survivor option and joint and fifty
6 percent survivor option.

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

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

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

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

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

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

36 **Sec. 5.** RCW 41.35.220 and 1998 c 341 s 23 are each amended to read
37 as follows:

1 (1) Upon retirement for service as prescribed in RCW 41.35.420 or
2 41.35.680 or retirement for disability under RCW 41.35.440 or
3 41.35.690, a member shall elect to have the retirement allowance paid
4 pursuant to one of the following options, calculated so as to be
5 actuarially equivalent to each other.

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

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

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

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

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

1 (ii) The spousal consent provisions of (a) of this subsection do
2 not apply.

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

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

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

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

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

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

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

32 (a) Standard allowance. A member electing this option shall
33 receive a retirement allowance payable throughout such member's life.
34 However, if the retiree dies before the total of the retirement
35 allowance paid to such retiree equals the amount of such retiree's
36 accumulated contributions at the time of retirement, then the balance
37 shall be paid to the member's estate, or such person or persons, trust,
38 or organization as the retiree shall have nominated by written

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

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

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

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

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

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

32 (ii) The spousal consent provisions of (a) of this subsection do
33 not apply.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 **Sec. 7.** RCW 41.40.660 and 1998 c 340 s 9 are each amended to read
5 as follows:

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

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

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

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

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

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

6 (ii) The spousal consent provisions of (a) of this subsection do
7 not apply.

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

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

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

17 (b) The retirement allowance payable to the retiree, as of July 1,
18 1998, or the date of the designated beneficiary's death, whichever
19 comes last, shall be increased by the percentage derived in (c) of this
20 subsection.

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

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

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

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

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

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

34 (a)(i) A retired member who retired without designating a survivor
35 beneficiary shall have the opportunity to designate their spouse from
36 a postretirement marriage as a survivor during a one-year period
37 beginning one year after the date of the postretirement marriage
38 provided the retirement allowance payable to the retiree is not subject

1 to periodic payments pursuant to a property division obligation as
2 provided for in RCW 41.50.670.

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

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

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

15 **Sec. 8.** RCW 43.43.278 and 1999 c 74 s 4 are each amended to read
16 as follows:

17 By July 1, 2000, the department of retirement systems shall adopt
18 rules that allow a member to select(~~(, in lieu of benefits under RCW~~
19 ~~43.43.270,)~~) an actuarially equivalent retirement option that pays the
20 member a reduced retirement allowance and upon death shall be continued
21 throughout the life of a lawful surviving spouse. The continuing
22 allowance to the lawful surviving spouse shall be subject to the yearly
23 increase provided by RCW 43.43.260(5) in lieu of the annual increase
24 provided in RCW 43.43.272. The allowance to the lawful surviving
25 spouse under this section, and the allowance for an eligible child or
26 children under RCW 43.43.270, shall not be subject to the limit for
27 combined benefits under RCW 43.43.270.

28 NEW SECTION. **Sec. 9.** If specific funding for the purposes of this
29 act, referencing this act by bill or chapter number, is not provided by
30 June 30, 2000, in the omnibus appropriations act, this act is null and
31 void.

32 NEW SECTION. **Sec. 10.** Section 5 of this act takes effect
33 September 1, 2000."

1 Correct the title.

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