

2 **ESB 6380** - H COMM AMD **Adopted 3-8-02**
3 By Committee on Appropriations

4

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

7 "Sec. 1. RCW 41.26.160 and 1999 c 134 s 2 are each amended to read
8 as follows:

9 (1) In the event of the duty connected death of any member who is
10 in active service, or who has vested under the provisions of RCW
11 41.26.090 with twenty or more service credit years of service, or who
12 is on duty connected disability leave or retired for duty connected
13 disability, the surviving spouse shall become entitled, subject to RCW
14 41.26.162(2), to receive a monthly allowance equal to fifty percent of
15 the final average salary at the date of death if active, or the amount
16 of retirement allowance the vested member would have received at age
17 fifty, or the amount of the retirement allowance such retired member
18 was receiving at the time of death if retired for duty connected
19 disability. The amount of this allowance will be increased five
20 percent of final average salary for each child as defined in RCW
21 41.26.030(7), subject to a maximum combined allowance of sixty percent
22 of final average salary: PROVIDED, That if the child or children is or
23 are in the care of a legal guardian, payment of the increase
24 attributable to each child will be made to the child's legal guardian
25 or, in the absence of a legal guardian and if the member has created a
26 trust for the benefit of the child or children, payment of the increase
27 attributable to each child will be made to the trust.

28 (2) If at the time of the duty connected death of a vested member
29 with twenty or more service credit years of service as provided in
30 subsection (1) of this section or a member retired for duty connected
31 disability, the surviving spouse has not been lawfully married to such
32 member for one year prior to retirement or separation from service if
33 a vested member, the surviving spouse shall not be eligible to receive
34 the benefits under this section: PROVIDED, That if a member dies as a
35 result of a disability incurred in the line of duty, then if he or she

1 was married at the time he or she was disabled, the surviving spouse
2 shall be eligible to receive the benefits under this section.

3 (3) If there be no surviving spouse eligible to receive benefits at
4 the time of such member's duty connected death, then the child or
5 children of such member shall receive a monthly allowance equal to
6 thirty percent of final average salary for one child and an additional
7 ten percent for each additional child subject to a maximum combined
8 payment, under this subsection, of sixty percent of final average
9 salary. When there cease to be any eligible children as defined in RCW
10 41.26.030(7), there shall be paid to the legal heirs of the member the
11 excess, if any, of accumulated contributions of the member at the time
12 of death over all payments made to survivors on his or her behalf under
13 this chapter: PROVIDED, That payments under this subsection to
14 children shall be prorated equally among the children, if more than
15 one. If the member has created a trust for the benefit of the child or
16 children, the payment shall be made to the trust.

17 (4) In the event that there is no surviving spouse eligible to
18 receive benefits under this section, and that there be no child or
19 children eligible to receive benefits under this section, then the
20 accumulated contributions shall be paid to the estate of the member.

21 (5) If a surviving spouse receiving benefits under the provisions
22 of this section thereafter dies and there are children as defined in
23 RCW 41.26.030(7), payment to the spouse shall cease and the child or
24 children shall receive the benefits as provided in subsection (3) of
25 this section.

26 (6) The payment provided by this section shall become due the day
27 following the date of death and payments shall be retroactive to that
28 date.

29 **Sec. 2.** RCW 41.26.161 and 1999 c 134 s 3 are each amended to read
30 as follows:

31 (1) In the event of the nonduty connected death of any member who
32 is in active service, or who has vested under the provisions of RCW
33 41.26.090 with twenty or more service credit years of service, or who
34 is on disability leave or retired, whether for nonduty connected
35 disability or service, the surviving spouse shall become entitled,
36 subject to RCW 41.26.162(2), to receive a monthly allowance equal to
37 fifty percent of the final average salary at the date of death if
38 active, or the amount of retirement allowance the vested member would

1 have received at age fifty, or the amount of the retirement allowance
2 such retired member was receiving at the time of death if retired for
3 service or nonduty connected disability. The amount of this allowance
4 will be increased five percent of final average salary for each child
5 as defined in RCW 41.26.030(7), subject to a maximum combined allowance
6 of sixty percent of final average salary: PROVIDED, That if the child
7 or children is or are in the care of a legal guardian, payment of the
8 increase attributable to each child will be made to the child's legal
9 guardian or, in the absence of a legal guardian and if the member has
10 created a trust for the benefit of the child or children, payment of
11 the increase attributable to each child will be made to the trust.

12 (2) If at the time of the death of a vested member with twenty or
13 more service credit years of service as provided in subsection (1) of
14 this section or a member retired for service or disability, the
15 surviving spouse has not been lawfully married to such member for one
16 year prior to retirement or separation from service if a vested member,
17 the surviving spouse shall not be eligible to receive the benefits
18 under this section.

19 (3) If there be no surviving spouse eligible to receive benefits at
20 the time of such member's death, then the child or children of such
21 member shall receive a monthly allowance equal to thirty percent of
22 final average salary for one child and an additional ten percent for
23 each additional child subject to a maximum combined payment, under this
24 subsection, of sixty percent of final average salary. When there cease
25 to be any eligible children as defined in RCW 41.26.030(7), there shall
26 be paid to the legal heirs of the member the excess, if any, of
27 accumulated contributions of the member at the time of death over all
28 payments made to survivors on his or her behalf under this chapter:
29 PROVIDED, That payments under this subsection to children shall be
30 prorated equally among the children, if more than one. If the member
31 has created a trust for the benefit of the child or children, the
32 payment shall be made to the trust.

33 (4) In the event that there is no surviving spouse eligible to
34 receive benefits under this section, and that there be no child or
35 children eligible to receive benefits under this section, then the
36 accumulated contributions shall be paid to the estate of said member.

37 (5) If a surviving spouse receiving benefits under the provisions
38 of this section thereafter dies and there are children as defined in
39 RCW 41.26.030(7), payment to the spouse shall cease and the child or

1 children shall receive the benefits as provided in subsection (3) of
2 this section.

3 (6) The payment provided by this section shall become due the day
4 following the date of death and payments shall be retroactive to that
5 date.

6 **Sec. 3.** RCW 41.26.162 and 1991 sp.s. c 12 s 2 are each amended to
7 read as follows:

8 (1)(a) An ex spouse of a law enforcement officers' and fire
9 fighters' retirement system retiree shall qualify as surviving spouse
10 under RCW 41.26.160 if the ex spouse:

11 (~~(a)~~) (i) Has been provided benefits under any currently
12 effective court decree of dissolution or legal separation or in any
13 court order or court-approved property settlement agreement incident to
14 any court decree of dissolution or legal separation entered after the
15 member's retirement and prior to December 31, 1979; and

16 (~~(b)~~) (ii) Was married to the retiree for at least thirty years,
17 including at least twenty years prior to the member's retirement or
18 separation from service if a vested member.

19 (~~(2)~~) (b) If two or more persons are eligible for a surviving
20 spouse benefit under this subsection, benefits shall be divided between
21 the surviving spouses based on the percentage of total service credit
22 the member accrued during each marriage.

23 (~~(3)~~) (c) This (~~section~~) subsection shall apply retroactively.

24 (2)(a) An ex spouse of a law enforcement officers' and fire
25 fighters' retirement system plan 1 retiree who:

26 (i) Divorces the member before separation from service; and

27 (ii) Entered into the court order or court-approved property
28 settlement agreement incident to the divorce of the member and ex
29 spouse after July 1, 2003;

30 may be awarded a portion of the member's benefit and a portion of any
31 spousal survivor's benefit pursuant to RCW 41.26.160 or 41.26.161 after
32 the member's death if specified in the court order or court-approved
33 property settlement.

34 (b) This subsection shall not apply retroactively.

35 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.26 RCW
36 under subchapter heading "plan 1" to read as follows:

1 (1) No later than July 1, 2003, the department shall adopt rules to
2 allow a member who meets the criteria set forth in subsection (2) of
3 this section to choose an actuarially equivalent benefit that pays the
4 member a reduced retirement allowance and upon death, such portion of
5 the member's reduced retirement allowance as the department by rule
6 designates shall be continued throughout the life of a spouse
7 ineligible for survivor benefits under RCW 41.26.160 or 41.26.161.

8 (2) To choose an actuarially equivalent benefit according to
9 subsection (1) of this section, a member shall:

10 (a) Have the retirement allowance payable to the retiree not
11 subject to periodic payments pursuant to a property division obligation
12 as provided for in RCW 41.50.670;

13 (b) Have no qualified ex spouse under RCW 41.26.162(1); and

14 (c) Choose an actuarially reduced benefit during a one-year period
15 beginning one year after the date of marriage to the survivor benefit-
16 ineligible spouse.

17 (3) A member who married a spouse ineligible for survivor benefits
18 under RCW 41.26.160 or 41.26.161 prior to the effective date of the
19 rules adopted under this section and satisfies the conditions of
20 subsection (2)(a) and (b) of this section has one year to designate
21 their spouse as a survivor beneficiary following the adoption of the
22 rules.

23 (4) No benefit provided to a child survivor beneficiary under RCW
24 41.26.160 or 41.26.161 is affected or reduced by the member's selection
25 of the actuarially reduced spousal survivor benefit provided by this
26 section.

27 (5)(a) Any member who chose to receive a reduced retirement
28 allowance under subsection (1) of this section is entitled to receive
29 a retirement allowance adjusted in accordance with (b) of this
30 subsection if:

31 (i) The retiree's survivor spouse designated in subsection (1) of
32 this section predeceases the retiree; and

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

35 (b) The retirement allowance payable to the retiree from the
36 beginning of the month following the date of the beneficiaries death
37 shall be increased by the following:

38 (i) One hundred percent multiplied by the result of (b)(ii) of this
39 subsection converted to a percent;

1 (ii) Subtract one from the reciprocal of the appropriate joint and
2 survivor option factor.

3 **Sec. 5.** RCW 41.50.670 and 1998 c 341 s 513 are each amended to
4 read as follows:

5 (1) Nothing in this chapter regarding mandatory assignment of
6 benefits to enforce a spousal maintenance obligation shall abridge the
7 right of an obligee to direct payments of retirement benefits to
8 satisfy a property division obligation ordered pursuant to a court
9 decree of dissolution or legal separation or any court order or court-
10 approved property settlement agreement incident to any court decree of
11 dissolution or legal separation as provided in RCW 2.10.180, 2.12.090,
12 41.04.310, 41.04.320, 41.04.330, 41.26.053, 41.26.162, 41.32.052,
13 41.35.100, 41.34.070(~~((+3))~~) (4), 41.40.052, 43.43.310, or 26.09.138, as
14 those statutes existed before July 1, 1987, and as those statutes exist
15 on and after July 28, 1991. The department shall pay benefits under
16 this chapter in a lump sum or as a portion of periodic retirement
17 payments as expressly provided by the dissolution order. A dissolution
18 order may not order the department to pay a periodic retirement payment
19 or lump sum unless that payment is specifically authorized under the
20 provisions of chapter 2.10, 2.12, 41.26, 41.32, 41.35, 41.34, 41.40, or
21 43.43 RCW, as applicable.

22 (2) The department shall pay directly to an obligee the amount of
23 periodic retirement payments or lump sum payment, as appropriate,
24 specified in the dissolution order if the dissolution order filed with
25 the department pursuant to subsection (1) of this section includes a
26 provision that states in the following form:

27 If (the obligor) receives periodic retirement payments
28 as defined in RCW 41.50.500, the department of retirement systems shall
29 pay to (the obligee) dollars from such payments
30 or . . . percent of such payments. If the obligor's debt is expressed
31 as a percentage of his or her periodic retirement payment and the
32 obligee does not have a survivorship interest in the obligor's benefit,
33 the amount received by the obligee shall be the percentage of the
34 periodic retirement payment that the obligor would have received had he
35 or she selected a standard allowance.

36 If (the obligor) requests or has requested a withdrawal
37 of accumulated contributions as defined in RCW 41.50.500, or becomes
38 eligible for a lump sum death benefit, the department of retirement

1 systems shall pay to (the obligee) dollars plus
2 interest at the rate paid by the department of retirement systems on
3 member contributions. Such interest to accrue from the date of this
4 order's entry with the court of record.

5 (3) This section does not require a member to select a standard
6 allowance upon retirement nor does it require the department to
7 recalculate the amount of a retiree's periodic retirement payment based
8 on a change in survivor option.

9 (4) A court order under this section may not order the department
10 to pay more than seventy-five percent of an obligor's periodic
11 retirement payment to an obligee.

12 (5) Persons whose court decrees were entered between July 1, 1987,
13 and July 28, 1991, shall also be entitled to receive direct payments of
14 retirement benefits to satisfy court-ordered property divisions if the
15 dissolution orders comply or are modified to comply with this section
16 and RCW 41.50.680 through 41.50.720 and, as applicable, RCW 2.10.180,
17 2.12.090, 41.26.053, 41.32.052, 41.35.100, 41.34.070, 41.40.052,
18 43.43.310, and 26.09.138.

19 (6) The obligee must file a copy of the dissolution order with the
20 department within ninety days of that order's entry with the court of
21 record.

22 (7) A division of benefits pursuant to a dissolution order under
23 this section shall be based upon the obligor's gross benefit prior to
24 any deductions. If the department is required to withhold a portion of
25 the member's benefit pursuant to 26 U.S.C. Sec. 3402 and the sum of
26 that amount plus the amount owed to the obligee exceeds the total
27 benefit, the department shall satisfy the withholding requirements
28 under 26 U.S.C. Sec. 3402 and then pay the remainder to the obligee.
29 The provisions of this subsection do not apply to amounts withheld
30 pursuant to 26 U.S.C. Sec. 3402(i).

31 **Sec. 6.** RCW 41.50.700 and 1991 c 365 s 16 are each amended to read
32 as follows:

33 (1) Except under subsection (3) of this section, the department's
34 obligation to provide direct payment of a property division obligation
35 to an obligee under RCW 41.50.670 shall cease upon the death of the
36 obligee or upon the death of the obligor, whichever comes first.
37 However, if an obligor dies and is eligible for a lump sum death
38 benefit, the department shall be obligated to provide direct payment to

1 the obligee of all or a portion of the withdrawal of accumulated
2 contributions pursuant to a court order that complies with RCW
3 41.50.670.

4 (2) The direct payment of a property division obligation to an
5 obligee under RCW 41.50.670 shall be paid as a deduction from the
6 member's periodic retirement payment. An obligee may not direct the
7 department to withhold any funds from such payment.

8 (3) The department's obligation to provide direct payment to a
9 nonmember ex spouse from a preretirement divorce meeting the criteria
10 of RCW 41.26.162(2) or 43.43.270(2) may continue for the life of the
11 member's surviving spouse qualifying for benefits under RCW 41.26.160,
12 41.26.161, or 43.43.270(2). Upon the death of the member's surviving
13 spouse qualifying for benefits under RCW 41.26.160, 41.26.161, or
14 43.43.270(2), the department's obligation under this subsection shall
15 cease.

16 **Sec. 7.** RCW 41.26.460 and 2000 c 186 s 1 are each amended to read
17 as follows:

18 (1) Upon retirement for service as prescribed in RCW 41.26.430 or
19 disability retirement under RCW 41.26.470, a member shall elect to have
20 the retirement allowance paid pursuant to the following options,
21 calculated so as to be actuarially equivalent to each other.

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

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

1 shall be nominated by the member by written designation duly executed
2 and filed with the department at the time of retirement. The options
3 adopted by the department shall include, but are not limited to, a
4 joint and one hundred percent survivor option and a joint and fifty
5 percent survivor option.

6 (2)(a) A member, if married, must provide the written consent of
7 his or her spouse to the option selected under this section, except as
8 provided in (b) of this subsection. If a member is married and both
9 the member and member's spouse do not give written consent to an option
10 under this section, the department will pay the member a joint and
11 fifty percent survivor benefit and record the member's spouse as the
12 beneficiary. Such benefit shall be calculated to be actuarially
13 equivalent to the benefit options available under subsection (1) of
14 this section unless spousal consent is not required as provided in (b)
15 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)(a) Any member who retired before January 1, 1996, and who
24 elected to receive a reduced retirement allowance under subsection
25 (1)(b) or (2) of this section is entitled to receive a retirement
26 allowance adjusted in accordance with (b) of this subsection, if they
27 meet the following conditions:

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

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

32 (b) The retirement allowance payable to the retiree, as of July 1,
33 1998, or the date of the designated beneficiary's death, whichever
34 comes last, shall be increased by the percentage derived in (c) of this
35 subsection.

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

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

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

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

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

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

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

18 (ii) A member who entered into a postretirement marriage prior to
19 the effective date of the rules adopted pursuant to this subsection and
20 satisfies the conditions of (a)(i) of this subsection shall have one
21 year to designate their spouse as a survivor beneficiary following the
22 adoption of the rules.

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

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

30 (5) No later than July 1, 2003, the department shall adopt rules to
31 permit:

32 (a) A court-approved property settlement incident to a court decree
33 of dissolution made before retirement to provide that benefits payable
34 to a member who meets the length of service requirements of RCW
35 41.26.530(1) and the member's divorcing spouse be divided into two
36 separate benefits payable over the life of each spouse.

37 The member shall have available the benefit options of subsection
38 (1) of this section upon retirement, and if remarried at the time of
39 retirement remains subject to the spousal consent requirements of

1 subsection (2) of this section. Any reductions of the member's benefit
2 subsequent to the division into two separate benefits shall be made
3 solely to the separate benefit of the member.

4 The nonmember ex spouse shall be eligible to commence receiving
5 their separate benefit upon reaching the ages provided in RCW 41.26.430
6 and after filing a written application with the department.

7 (b) A court-approved property settlement incident to a court decree
8 of dissolution made after retirement may only divide the benefit into
9 two separate benefits payable over the life of each spouse if the
10 nonmember ex spouse was selected as a survivor beneficiary at
11 retirement.

12 The retired member may later choose the survivor benefit options
13 available in subsection (4) of this section. Any actuarial reductions
14 subsequent to the division into two separate benefits shall be made
15 solely to the separate benefit of the member.

16 Both the retired member and the nonmember divorced spouse shall be
17 eligible to commence receiving their separate benefits upon filing a
18 copy of the dissolution order with the department in accordance with
19 RCW 41.50.670.

20 (c) The department may make an additional charge or adjustment if
21 necessary to ensure that the separate benefits provided under this
22 subsection are actuarially equivalent to the benefits payable prior to
23 the decree of dissolution.

24 **Sec. 8.** RCW 41.32.530 and 2000 c 186 s 2 are each amended to read
25 as follows:

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

34 (a) Standard allowance. If he or she dies before he or she has
35 received the present value of his or her accumulated contributions at
36 the time of his or her retirement in annuity payments, the unpaid
37 balance shall be paid to his or her estate or to such person, trust, or

1 organization as he or she shall have nominated by written designation
2 executed and filed with the department.

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 who has an insurable
8 interest in the member's life. Such person shall be nominated by the
9 member by written designation duly executed and filed with the
10 department at the time of retirement. The options adopted by the
11 department shall include, but are not limited to, a joint and one
12 hundred percent survivor option and a joint and fifty percent survivor
13 option.

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

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

28 (2)(a) A member, if married, must provide the written consent of
29 his or her spouse to the option selected under this section, except as
30 provided in (b) of this subsection. If a member is married and both
31 the member and the member's spouse do not give written consent to an
32 option under this section, the department will pay the member a joint
33 and fifty percent survivor benefit and record the member's spouse as
34 the beneficiary. Such benefit shall be calculated to be actuarially
35 equivalent to the benefit options available under subsection (1) of
36 this section unless spousal consent is not required as provided in (b)
37 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 (5) No later than July 1, 2003, the department shall adopt rules to
16 permit:

17 (a) A court-approved property settlement incident to a court decree
18 of dissolution made before retirement to provide that benefits payable
19 to a member who meets the length of service requirements of RCW
20 41.32.470 and the member's divorcing spouse be divided into two
21 separate benefits payable over the life of each spouse.

22 The member shall have available the benefit options of subsection
23 (1) of this section upon retirement, and if remarried at the time of
24 retirement remains subject to the spousal consent requirements of
25 subsection (2) of this section. Any reductions of the member's benefit
26 subsequent to the division into two separate benefits shall be made
27 solely to the separate benefit of the member.

28 The nonmember ex spouse shall be eligible to commence receiving
29 their separate benefit upon reaching the age provided in RCW
30 41.32.480(2) and after filing a written application with the
31 department.

32 (b) A court-approved property settlement incident to a court decree
33 of dissolution made after retirement may only divide the benefit into
34 two separate benefits payable over the life of each spouse if the
35 nonmember ex spouse was selected as a survivor beneficiary at
36 retirement.

37 The retired member may later choose the survivor benefit options
38 available in subsection (4) of this section. Any actuarial reductions

1 subsequent to the division into two separate benefits shall be made
2 solely to the separate benefit of the member.

3 Both the retired member and the nonmember divorced spouse shall be
4 eligible to commence receiving their separate benefits upon filing a
5 copy of the dissolution order with the department in accordance with
6 RCW 41.50.670.

7 (c) The separate single life benefits of the member and the
8 nonmember ex spouse are not (i) subject to the minimum benefit
9 provisions of RCW 41.32.4851, or (ii) the minimum benefit annual
10 increase amount eligibility provisions of RCW 41.32.489 (2)(b) and
11 (3)(a).

12 (d) The department may make an additional charge or adjustment if
13 necessary to ensure that the separate benefits provided under this
14 subsection are actuarially equivalent to the benefits payable prior to
15 the decree of dissolution.

16 **Sec. 9.** RCW 41.32.785 and 2000 c 186 s 4 are each amended to read
17 as follows:

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

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

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

1 shall be nominated by the member by written designation duly executed
2 and filed with the department at the time of retirement. The options
3 adopted by the department shall include, but are not limited to, a
4 joint and one hundred percent survivor option and a joint and fifty
5 percent survivor option.

6 (2)(a) A member, if married, must provide the written consent of
7 his or her spouse to the option selected under this section, except as
8 provided in (b) of this subsection. If a member is married and both
9 the member and member's spouse do not give written consent to an option
10 under this section, the department will pay the member a joint and
11 fifty percent survivor benefit and record the member's spouse as the
12 beneficiary. Such benefit shall be calculated to be actuarially
13 equivalent to the benefit options available under subsection (1) of
14 this section unless spousal consent is not required as provided in (b)
15 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)(a) Any member who retired before January 1, 1996, and who
24 elected to receive a reduced retirement allowance under subsection
25 (1)(b) or (2) of this section is entitled to receive a retirement
26 allowance adjusted in accordance with (b) of this subsection, if they
27 meet the following conditions:

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

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

32 (b) The retirement allowance payable to the retiree, as of July 1,
33 1998, or the date of the designated beneficiary's death, whichever
34 comes last, shall be increased by the percentage derived in (c) of this
35 subsection.

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

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

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

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

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

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

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

18 (ii) A member who entered into a postretirement marriage prior to
19 the effective date of the rules adopted pursuant to this subsection and
20 satisfies the conditions of (a)(i) of this subsection shall have one
21 year to designate their spouse as a survivor beneficiary following the
22 adoption of the rules.

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

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

30 (5) No later than July 1, 2003, the department shall adopt rules to
31 permit:

32 (a) A court-approved property settlement incident to a court decree
33 of dissolution made before retirement to provide that benefits payable
34 to a member who meets the length of service requirements of RCW
35 41.32.815 and the member's divorcing spouse be divided into two
36 separate benefits payable over the life of each spouse.

37 The member shall have available the benefit options of subsection
38 (1) of this section upon retirement, and if remarried at the time of
39 retirement remains subject to the spousal consent requirements of

1 subsection (2) of this section. Any reductions of the member's benefit
2 subsequent to the division into two separate benefits shall be made
3 solely to the separate benefit of the member.

4 The nonmember ex spouse shall be eligible to commence receiving
5 their separate benefit upon reaching the age provided in RCW
6 41.32.765(1) and after filing a written application with the
7 department.

8 (b) A court-approved property settlement incident to a court decree
9 of dissolution made after retirement may only divide the benefit into
10 two separate benefits payable over the life of each spouse if the
11 nonmember ex spouse was selected as a survivor beneficiary at
12 retirement.

13 The retired member may later choose the survivor benefit options
14 available in subsection (4) of this section. Any actuarial reductions
15 subsequent to the division into two separate benefits shall be made
16 solely to the separate benefit of the member.

17 Both the retired member and the nonmember divorced spouse shall be
18 eligible to commence receiving their separate benefits upon filing a
19 copy of the dissolution order with the department in accordance with
20 RCW 41.50.670.

21 (c) The department may make an additional charge or adjustment if
22 necessary to ensure that the separate benefits provided under this
23 subsection are actuarially equivalent to the benefits payable prior to
24 the decree of dissolution.

25 **Sec. 10.** RCW 41.32.851 and 2000 c 186 s 5 are each amended to read
26 as follows:

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

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

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

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

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

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

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

26 (ii) The spousal consent provisions of (a) of this subsection do
27 not apply.

28 (3) 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 (4) No later than July 1, 2003, the department shall adopt rules to
12 permit:

13 (a) A court-approved property settlement incident to a court decree
14 of dissolution made before retirement to provide that benefits payable
15 to a member who meets the length of service requirements of RCW
16 41.32.875(1) and the member's divorcing spouse be divided into two
17 separate benefits payable over the life of each spouse.

18 The member shall have available the benefit options of subsection
19 (1) of this section upon retirement, and if remarried at the time of
20 retirement remains subject to the spousal consent requirements of
21 subsection (2) of this section. Any reductions of the member's benefit
22 subsequent to the division into two separate benefits shall be made
23 solely to the separate benefit of the member.

24 The nonmember ex spouse shall be eligible to commence receiving
25 their separate benefit upon reaching the age provided in RCW
26 41.32.875(1) and after filing a written application with the
27 department.

28 (b) A court-approved property settlement incident to a court decree
29 of dissolution made after retirement may only divide the benefit into
30 two separate benefits payable over the life of each spouse if the
31 nonmember ex spouse was selected as a survivor beneficiary at
32 retirement.

33 The retired member may later choose the survivor benefit options
34 available in subsection (3) of this section. Any actuarial reductions
35 subsequent to the division into two separate benefits shall be made
36 solely to the separate benefit of the member.

37 Both the retired member and the nonmember divorced spouse shall be
38 eligible to commence receiving their separate benefits upon filing a

1 copy of the dissolution order with the department in accordance with
2 RCW 41.50.670.

3 (c) Any benefit distributed pursuant to chapter 41.31A RCW after
4 the date of the dissolution order creating separate benefits for a
5 member and nonmember ex spouse shall be paid solely to the member.

6 (d) The department may make an additional charge or adjustment if
7 necessary to ensure that the separate benefits provided under this
8 subsection are actuarially equivalent to the benefits payable prior to
9 the decree of dissolution.

10 **Sec. 11.** RCW 41.35.220 and 2000 c 186 s 6 are each amended to read
11 as follows:

12 (1) Upon retirement for service as prescribed in RCW 41.35.420 or
13 41.35.680 or retirement for disability under RCW 41.35.440 or
14 41.35.690, a member shall elect to have the retirement allowance paid
15 pursuant to one of the following options, calculated so as to be
16 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,~~)

20 (i) For members of plan 2, if the retiree dies before the total of
21 the retirement allowance paid to such retiree equals the amount of such
22 retiree's accumulated contributions at the time of retirement, then the
23 balance shall be paid to the member's estate, or such person or
24 persons, trust, or organization as the retiree shall have nominated by
25 written designation duly executed and filed with the department; or if
26 there be no such designated person or persons still living at the time
27 of the retiree's death, then to the surviving spouse; or if there be
28 neither such designated person or persons still living at the time of
29 death nor a surviving spouse, then to the retiree's legal
30 representative.

31 (ii) For members of plan 3, upon the death of the retired member,
32 the member's benefits shall cease.

33 (b) The department shall adopt rules that allow a member to select
34 a retirement option that pays the member a reduced retirement allowance
35 and upon death, such portion of the member's reduced retirement
36 allowance as the department by rule designates shall be continued
37 throughout the life of and paid to a person nominated by the member by
38 written designation duly executed and filed with the department at the

1 time of retirement. The options adopted by the department shall
2 include, but are not limited to, a joint and one hundred percent
3 survivor option and a joint and fifty percent survivor option.

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

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

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

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

19 (3) 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 (4) No later than July 1, 2003, the department shall adopt rules to
5 permit:

6 (a) A court-approved property settlement incident to a court decree
7 of dissolution made before retirement to provide that benefits payable
8 to a member of plan 2 who meets the length of service requirements of
9 RCW 41.35.420, or a member of plan 3 who meets the length of service
10 requirements of RCW 41.35.680(1), and the member's divorcing spouse be
11 divided into two separate benefits payable over the life of each
12 spouse.

13 The member shall have available the benefit options of subsection
14 (1) of this section upon retirement, and if remarried at the time of
15 retirement remains subject to the spousal consent requirements of
16 subsection (2) of this section. Any reductions of the member's benefit
17 subsequent to the division into two separate benefits shall be made
18 solely to the separate benefit of the member.

19 The nonmember ex spouse shall be eligible to commence receiving
20 their separate benefit upon reaching the ages provided in RCW
21 41.35.420(1) for members of plan 2, or RCW 41.35.680(1) for members of
22 plan 3, and after filing a written application with the department.

23 (b) A court-approved property settlement incident to a court decree
24 of dissolution made after retirement may only divide the benefit into
25 two separate benefits payable over the life of each spouse if the
26 nonmember ex spouse was selected as a survivor beneficiary at
27 retirement.

28 The retired member may later choose the survivor benefit options
29 available in subsection (3) of this section. Any actuarial reductions
30 subsequent to the division into two separate benefits shall be made
31 solely to the separate benefit of the member.

32 Both the retired member and the nonmember divorced spouse shall be
33 eligible to commence receiving their separate benefits upon filing a
34 copy of the dissolution order with the department in accordance with
35 RCW 41.50.670.

36 (c) Any benefit distributed pursuant to chapter 41.31A RCW after
37 the date of the dissolution order creating separate benefits for a
38 member and nonmember ex spouse shall be paid solely to the member.

1 (d) The department may make an additional charge or adjustment if
2 necessary to ensure that the separate benefits provided under this
3 subsection are actuarially equivalent to the benefits payable prior to
4 the decree of dissolution.

5 **Sec. 12.** RCW 41.40.188 and 2000 c 186 s 7 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
20 no such designated person or persons still living at the time of the
21 retiree's death, then to the surviving spouse; or if there be neither
22 such designated person or persons still living at the time of death nor
23 a surviving spouse, then to the retiree's legal representative.

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

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

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

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

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

12 (ii) The spousal consent provisions of (a) of this subsection do
13 not apply.

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

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

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

23 (b) The retirement allowance payable to the retiree, as of July 1,
24 1998, or the date of the designated beneficiary's death, whichever
25 comes last, shall be increased by the percentage derived in (c) of this
26 subsection.

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

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

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

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

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

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

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

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

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

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

20 (5) No later than July 1, 2003, the department shall adopt rules to
21 permit:

22 (a) A court-approved property settlement incident to a court decree
23 of dissolution made before retirement to provide that benefits payable
24 to a member who meets the length of service requirements of RCW
25 41.40.180(1) and the member's divorcing spouse be divided into two
26 separate benefits payable over the life of each spouse.

27 The member shall have available the benefit options of subsection
28 (1) of this section upon retirement, and if remarried at the time of
29 retirement remains subject to the spousal consent requirements of
30 subsection (2) of this section. Any reductions of the member's benefit
31 subsequent to the division into two separate benefits shall be made
32 solely to the separate benefit of the member.

33 The nonmember ex spouse shall be eligible to commence receiving
34 their separate benefit upon reaching the age provided in RCW
35 41.40.180(1) and after filing a written application with the
36 department.

37 (b) A court-approved property settlement incident to a court decree
38 of dissolution made after retirement may only divide the benefit into
39 two separate benefits payable over the life of each spouse if the

1 nonmember ex spouse was selected as a survivor beneficiary at
2 retirement.

3 The retired member may later choose the survivor benefit options
4 available in subsection (4) of this section. Any actuarial reductions
5 subsequent to the division into two separate benefits shall be made
6 solely to the separate benefit of the member.

7 Both the retired member and the nonmember divorced spouse shall be
8 eligible to commence receiving their separate benefits upon filing a
9 copy of the dissolution order with the department in accordance with
10 RCW 41.50.670.

11 (c) The separate single life benefits of the member and the
12 nonmember ex spouse are not (i) subject to the minimum benefit
13 provisions of RCW 41.40.1984, or (ii) the minimum benefit annual
14 increase amount eligibility provisions of RCW 41.40.197 (2)(b) and
15 (3)(a).

16 (d) The department may make an additional charge or adjustment if
17 necessary to ensure that the separate benefits provided under this
18 subsection are actuarially equivalent to the benefits payable prior to
19 the decree of dissolution.

20 **Sec. 13.** RCW 41.40.660 and 2000 c 186 s 8 are each amended to read
21 as follows:

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

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

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 person nominated by the member by
6 written designation duly executed and filed with the department at the
7 time of retirement. The options adopted by the department shall
8 include, but are not limited to, a joint and one hundred percent
9 survivor option and a joint and fifty percent survivor option.

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

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

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

23 (ii) The spousal consent provisions of (a) of this subsection do
24 not apply.

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

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

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

34 (b) The retirement allowance payable to the retiree, as of July 1,
35 1998, or the date of the designated beneficiary's death, whichever
36 comes last, shall be increased by the percentage derived in (c) of this
37 subsection.

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

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

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

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

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

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

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

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

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

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

32 (5) No later than July 1, 2003, the department shall adopt rules to
33 permit:

34 (a) A court-approved property settlement incident to a court decree
35 of dissolution made before retirement to provide that benefits payable
36 to a member who meets the length of service requirements of RCW
37 41.40.720 and the member's divorcing spouse be divided into two
38 separate benefits payable over the life of each spouse.

1 The member shall have available the benefit options of subsection
2 (1) of this section upon retirement, and if remarried at the time of
3 retirement remains subject to the spousal consent requirements of
4 subsection (2) of this section. Any reductions of the member's benefit
5 subsequent to the division into two separate benefits shall be made
6 solely to the separate benefit of the member.

7 The nonmember ex spouse shall be eligible to commence receiving
8 their separate benefit upon reaching the age provided in RCW
9 41.40.630(1) and after filing a written application with the
10 department.

11 (b) A court-approved property settlement incident to a court decree
12 of dissolution made after retirement may only divide the benefit into
13 two separate benefits payable over the life of each spouse if the
14 nonmember ex spouse was selected as a survivor beneficiary at
15 retirement.

16 The retired member may later choose the survivor benefit options
17 available in subsection (4) of this section. Any actuarial reductions
18 subsequent to the division into two separate benefits shall be made
19 solely to the separate benefit of the member.

20 Both the retired member and the nonmember divorced spouse shall be
21 eligible to commence receiving their separate benefits upon filing a
22 copy of the dissolution order with the department in accordance with
23 RCW 41.50.670.

24 (c) Any benefit distributed pursuant to chapter 41.31A RCW after
25 the date of the dissolution order creating separate benefits for a
26 member and nonmember ex spouse shall be paid solely to the member.

27 (d) The department may make an additional charge or adjustment if
28 necessary to ensure that the separate benefits provided under this
29 subsection are actuarially equivalent to the benefits payable prior to
30 the decree of dissolution.

31 **Sec. 14.** RCW 41.40.845 and 2000 c 247 s 314 are each amended to
32 read as follows:

33 (1) Upon retirement for service as prescribed in RCW 41.40.820 or
34 retirement for disability under RCW 41.40.825, a member shall elect to
35 have the retirement allowance paid pursuant to one of the following
36 options, calculated so as to be actuarially equivalent to each other.

37 (a) Standard allowance. A member electing this option shall
38 receive a retirement allowance payable throughout such member's life.

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

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

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

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

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

34 (ii) The spousal consent provisions of (a) of this subsection do
35 not apply.

36 (3) The department shall adopt rules that allow a member additional
37 actuarially equivalent survivor benefit options, and shall include, but
38 are not limited to:

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

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

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

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

20 (4) No later than July 1, 2002, the department shall adopt rules
21 that allow a member additional actuarially equivalent survivor benefit
22 options, and shall include, but are not limited to:

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

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

35 (b) A retired member who elected to receive a reduced retirement
36 allowance under this section and designated a nonspouse as survivor
37 beneficiary shall have the opportunity to remove the survivor
38 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 (5) No later than July 1, 2003, the department shall adopt rules to
5 permit:

6 (a) A court-approved property settlement incident to a court decree
7 of dissolution made before retirement to provide that benefits payable
8 to a member who meets the length of service requirements of RCW
9 41.40.820(1) and the member's divorcing spouse be divided into two
10 separate benefits payable over the life of each spouse.

11 The member shall have available the benefit options of subsection
12 (1) of this section upon retirement, and if remarried at the time of
13 retirement remains subject to the spousal consent requirements of
14 subsection (2) of this section. Any reductions of the member's benefit
15 subsequent to the division into two separate benefits shall be made
16 solely to the separate benefit of the member.

17 The nonmember ex spouse shall be eligible to commence receiving
18 their separate benefit upon reaching the age provided in RCW
19 41.40.820(1) and after filing a written application with the
20 department.

21 (b) A court-approved property settlement incident to a court decree
22 of dissolution made after retirement may only divide the benefit into
23 two separate benefits payable over the life of each spouse if the
24 nonmember ex spouse was selected as a survivor beneficiary at
25 retirement.

26 The retired member may later choose the survivor benefit options
27 available in subsection (4) of this section. Any actuarial reductions
28 subsequent to the division into two separate benefits shall be made
29 solely to the separate benefit of the member.

30 Both the retired member and the nonmember divorced spouse shall be
31 eligible to commence receiving their separate benefits upon filing a
32 copy of the dissolution order with the department in accordance with
33 RCW 41.50.670.

34 (c) The department may make an additional charge or adjustment if
35 necessary to ensure that the separate benefits provided under this
36 subsection are actuarially equivalent to the benefits payable prior to
37 the decree of dissolution.

1 **Sec. 15.** RCW 43.43.270 and 2001 c 329 s 6 are each amended to read
2 as follows:

3 For members commissioned prior to January 1, 2003:

4 (1) The normal form of retirement allowance shall be an allowance
5 which shall continue as long as the member lives.

6 (2) If a member should die while in service the member's lawful
7 spouse shall be paid an allowance which shall be equal to fifty percent
8 of the average final salary of the member. If the member should die
9 after retirement the member's lawful spouse shall be paid an allowance
10 which shall be equal to the retirement allowance then payable to the
11 member or fifty percent of the final average salary used in computing
12 the member's retirement allowance, whichever is less. The allowance
13 paid to the lawful spouse shall continue as long as the spouse lives:
14 PROVIDED, That if a surviving spouse who is receiving benefits under
15 this subsection marries another member of this retirement system who
16 subsequently predeceases such spouse, the spouse shall then be entitled
17 to receive the higher of the two survivors' allowances for which
18 eligibility requirements were met, but a surviving spouse shall not
19 receive more than one survivor's allowance from this system at the same
20 time under this subsection. To be eligible for an allowance the lawful
21 surviving spouse of a retired member shall have been married to the
22 member prior to the member's retirement and continuously thereafter
23 until the date of the member's death or shall have been married to the
24 retired member at least two years prior to the member's death. The
25 allowance paid to the lawful spouse may be divided with an ex spouse of
26 the member by a dissolution order as defined in RCW 41.50.500(3)
27 incident to a divorce occurring after July 1, 2002. The dissolution
28 order must specifically divide both the member's benefit and any
29 spousal survivor benefit, and must fully comply with RCW 41.50.670 and
30 41.50.700.

31 (3) If a member should die, either while in service or after
32 retirement, the member's surviving unmarried children under the age of
33 eighteen years shall be provided for in the following manner:

34 (a) If there is a surviving spouse, each child shall be entitled to
35 a benefit equal to five percent of the final average salary of the
36 member or retired member. The combined benefits to the surviving
37 spouse and all children shall not exceed sixty percent of the final
38 average salary of the member or retired member; and

1 (b) If there is no surviving spouse or the spouse should die, the
2 child or children shall be entitled to a benefit equal to thirty
3 percent of the final average salary of the member or retired member for
4 one child and an additional ten percent for each additional child. The
5 combined benefits to the children under this subsection shall not
6 exceed sixty percent of the final average salary of the member or
7 retired member. Payments under this subsection shall be prorated
8 equally among the children, if more than one.

9 (4) If a member should die in the line of duty while employed by
10 the Washington state patrol, the member's surviving children under the
11 age of twenty years and eleven months if attending any high school,
12 college, university, or vocational or other educational institution
13 accredited or approved by the state of Washington shall be provided for
14 in the following manner:

15 (a) If there is a surviving spouse, each child shall be entitled to
16 a benefit equal to five percent of the final average salary of the
17 member. The combined benefits to the surviving spouse and all children
18 shall not exceed sixty percent of the final average salary of the
19 member;

20 (b) If there is no surviving spouse or the spouse should die, the
21 unmarried child or children shall be entitled to receive a benefit
22 equal to thirty percent of the final average salary of the member or
23 retired member for one child and an additional ten percent for each
24 additional child. The combined benefits to the children under this
25 subsection shall not exceed sixty percent of the final average salary.
26 Payments under this subsection shall be prorated equally among the
27 children, if more than one; and

28 (c) If a beneficiary under this subsection reaches the age of
29 twenty-one years during the middle of a term of enrollment the benefit
30 shall continue until the end of that term.

31 (5) The provisions of this section shall apply to members who have
32 been retired on disability as provided in RCW 43.43.040 if the officer
33 was a member of the Washington state patrol retirement system at the
34 time of such disability retirement.

35 **Sec. 16.** RCW 43.43.271 and 2001 c 329 s 5 are each amended to read
36 as follows:

37 (1) A member commissioned on or after January 1, 2003, upon
38 retirement for service as prescribed in RCW 43.43.250 or disability

1 retirement under RCW 43.43.040, shall elect to have the retirement
2 allowance paid pursuant to the following options, calculated so as to
3 be actuarially equivalent to each other.

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

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

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 member's spouse do not give written consent to an option
30 under this section, the department will pay the member a joint and
31 fifty percent survivor benefit and record the member's spouse as the
32 beneficiary. This 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) No later than January 1, 2003, the department shall adopt rules
6 that allow a member additional actuarially equivalent survivor benefit
7 options, and shall include, but are not limited to:

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

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

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

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

27 (4) No later than July 1, 2003, the department shall adopt rules to
28 permit:

29 (a) A court-approved property settlement incident to a court decree
30 of dissolution made before retirement to provide that benefits payable
31 to a member who has completed at least five years of service and the
32 member's divorcing spouse be divided into two separate benefits payable
33 over the life of each spouse.

34 The member shall have available the benefit options of subsection
35 (1) of this section upon retirement, and if remarried at the time of
36 retirement remains subject to the spousal consent requirements of
37 subsection (2) of this section. Any reductions of the member's benefit
38 subsequent to the division into two separate benefits shall be made
39 solely to the separate benefit of the member.

1 The nonmember ex spouse shall be eligible to commence receiving
2 their separate benefit upon reaching the ages provided in RCW
3 43.43.250(2) and after filing a written application with the
4 department.

5 (b) A court-approved property settlement incident to a court decree
6 of dissolution made after retirement may only divide the benefit into
7 two separate benefits payable over the life of each spouse if the
8 nonmember ex spouse was selected as a survivor beneficiary at
9 retirement.

10 The retired member may later choose the survivor benefit options
11 available in subsection (3) of this section. Any actuarial reductions
12 subsequent to the division into two separate benefits shall be made
13 solely to the separate benefit of the member.

14 Both the retired member and the nonmember divorced spouse shall be
15 eligible to commence receiving their separate benefits upon filing a
16 copy of the dissolution order with the department in accordance with
17 RCW 41.50.670.

18 (c) The department may make an additional charge or adjustment if
19 necessary to ensure that the separate benefits provided under this
20 subsection are actuarially equivalent to the benefits payable prior to
21 the decree of dissolution."

22 **ESB 6380 - H COMM AMD**
23 **By Committee on Appropriations**

24
25 On page 1, line 5 of the title, after "retirement system;" strike
26 the remainder of the title and insert "amending RCW 41.26.160,
27 41.26.161, 41.26.162, 41.50.670, 41.50.700, 41.26.460, 41.32.530,
28 41.32.785, 41.32.851, 41.35.220, 41.40.188, 41.40.660, 41.40.845,
29 43.43.270, and 43.43.271; and adding a new section to chapter 41.26
30 RCW."

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