

Appropriations

HB 1050

Brief Description: *Creating a supplemental actuarially reduced survivor benefit for qualified law enforcement officers' and fire fighters' retirement system plan 1 members who choose to actuarially reduce their benefits.*

Sponsors: *Representatives Alexander, H. Sommers, Lambert, Doumit, O'Brien, Haigh, Kenney and Edmonds.*

Brief Summary of Bill

- *Creates an actuarially reduced survivor benefit for LEOFF 1 members' post-retirement spouses.*

Hearing Date: *2/1/01*

Staff: *Andrea Hardy (786-7349).*

Background:

The spouse of a Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 (LEOFF 1) member is eligible to receive an allowance for life upon the death of the member. The benefit is provided automatically, without charge to the member, and it is equal to the retirement allowance received by the retiree. To be eligible for this benefit the spouse must have been married to the LEOFF 1 member for one year prior to retirement and upon the death of that member. If a LEOFF 1 retiree gets married after retirement, there is no way for the new spouse to qualify for a survivor allowance.

In almost all other state retirement plans a member who wishes to provide a survivor benefit for a spouse may do so if the member accepts an actuarial reduction in retirement allowance to pay for the cost of extending an allowance for the life of the surviving spouse.

Prior to 2000, members had to select a survivor option when applying for retirement; no changes were permitted thereafter. In 2000, the Legislature amended most of the state retirement plans to provide retirees the option of providing a post-retirement spouse. The new option is limited to situations where the retiree's allowance has not previously been divided with an ex-spouse, and where the retiree applies for the survivor benefit within the one-year period that begins one year after the post-retirement marriage. The cost of providing the survivor benefit is funded by means of an actuarial reduction in the retiree's allowance. However, the 2000 legislation did not extend this option to LEOFF 1 retirees.

Summary of Bill:

LEOFF Plan 1 retirees who get married after retirement have the option of selecting an actuarially reduced retirement allowance that includes a survivor allowance for the post-retirement spouse. The retiree must select the option during a one-year window that opens a year after the post-retirement marriage. The option is not available to a retiree whose retirement allowance has previously been divided with an ex-spouse pursuant to a court order.

Effective Date: *Ninety days after adjournment of session in which bill is passed.*

Appropriation: *None.*

Fiscal Note: *Requested on January 19, 2001.*