

SENATE BILL REPORT

SB 5142

As of January 26, 2001

Title: An act relating to continuing law enforcement officers' and fire fighters' plan 1 split benefit payments to ex spouses of members pursuant to preretirement divorce orders made after July 1, 2002.

Brief Description: Continuing law enforcement officers' and fire fighters' plan 1 split benefit payments to ex spouses of members pursuant to preretirement divorce orders made after July 1, 2002.

Sponsors: Senators Winsley, Long, Fraser, Franklin, Honeyford, Carlson and Kohl-Welles; by request of Joint Committee on Pension Policy.

Brief History:

Committee Activity: Ways & Means: 1/30/01.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Pete Cutler (786-7454)

Background: The spouse of a retiree of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 1 is eligible, upon the retiree's death, to receive a survivor benefit for life equal to the retirement allowance received by the retiree. In order to be eligible for this automatic benefit, the spouse must have been married to the LEOFF 1 member for one year prior to retirement. An ex-spouse of a LEOFF 1 member is not eligible for the survivor benefit except in the rare situation where the ex-spouse had been married to the LEOFF 1 member for at least 30 years, including at least 20 years prior to retirement, and where there was a court order prior to 1980 providing the survivor benefit to the ex-spouse.

State law provides a process by which state retirement benefits, including LEOFF 1 retirement allowances, may be divided in a marriage dissolution action as part of a court-approved property settlement agreement. The ex-spouse's share of a divided allowance ceases upon the death of the LEOFF 1 retiree.

The ex-spouse of a member of the Public Employees' Retirement System (PERS), the Teachers' Retirement Systems (TRS), the School Employees' Retirement Systems (SERS), and the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 2 can seek a court order during a marriage dissolution action to require the member to make the ex-spouse the beneficiary of a survivor allowance. In such cases, the retiree's monthly allowance is reduced to pay for the survivor benefit. The ex-spouse of a LEOFF 1 retiree cannot obtain such a court order since the LEOFF 1 statutes provide survivor benefits only to current spouses.

Summary of Bill: The ex-spouse of a LEOFF 1 retiree who is awarded a portion of the retiree's retirement allowance for the life of the ex-spouse may continue to receive the payment after the member's death, if specified in a court divorce order or property settlement agreement. The change applies only to court orders issued after July 1, 2002, and to divorces occurring before a member's separation from service.

Appropriation: None.

Fiscal Note: Requested on January 22, 2001.

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