

# FINAL BILL REPORT

## SB 6242

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Synopsis as Enacted

**Brief Description:** Modifying the definition of nonprobate asset.

**Sponsors:** Senators Johnson and Kline.

**Senate Committee on Judiciary**  
**House Committee on Judiciary**

**Background:** Current Washington law provides, upon divorce, for the automatic revocation of the designation of a spouse as a beneficiary of various nonprobate assets like life insurance, pension plans, and payable on death bank accounts. A recent U.S. Supreme Court decision, *Egelhoff v. Egelhoff*, found that the Washington statute cannot be applied to pension plans governed by the Employment Retirement Income Security Act (ERISA) because that federal law preempts the state law. It is the hope of proponents of this legislation that the express reference to controlling federal law contained in this bill will cause practitioners to not rely upon the Washington statute where it has been preempted by federal law.

**Summary:** "Nonprobate asset" means those rights and interests of a person having beneficial ownership of an asset that pass on the person's death under a written instrument other than the decedent's will. The written instruments include a payable-on-death provision of a life insurance policy, employee benefit plan, annuity or similar contract, or individual retirement account unless provided otherwise by controlling federal law.

**Votes on Final Passage:**

Senate	47	0
House	96	0

**Effective:** June 13, 2002