
HOUSE BILL 2393

State of Washington

57th Legislature

2002 Regular Session

By Representatives Alexander, Doumit, Morell, Rockefeller, Linville, Edwards, Lovick, O'Brien, Woods and Haigh; by request of Joint Committee on Pension Policy

Read first time 01/16/2002. Referred to Committee on Appropriations.

1 AN ACT Relating to creating new survivor benefit division options
2 for divorced members of the law enforcement officers' and fire
3 fighters' retirement system, the teachers' retirement system, the
4 school employees' retirement system, the public employees' retirement
5 system, and the Washington state patrol retirement system; amending RCW
6 41.26.160, 41.26.161, 41.26.162, 41.50.670, 41.50.700, 41.26.460,
7 41.32.530, 41.32.785, 41.32.851, 41.35.220, 41.40.188, 41.40.660,
8 41.40.845, 43.43.270, and 43.43.271; and adding a new section to
9 chapter 41.26 RCW.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

11 **Sec. 1.** RCW 41.26.160 and 1999 c 134 s 2 are each amended to read
12 as follows:

13 (1) In the event of the duty connected death of any member who is
14 in active service, or who has vested under the provisions of RCW
15 41.26.090 with twenty or more service credit years of service, or who
16 is on duty connected disability leave or retired for duty connected
17 disability, the surviving spouse shall become entitled, subject to RCW
18 41.26.162(2), to receive a monthly allowance equal to fifty percent of
19 the final average salary at the date of death if active, or the amount

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

13 (2) If at the time of the duty connected death of a vested member
14 with twenty or more service credit years of service as provided in
15 subsection (1) of this section or a member retired for duty connected
16 disability, the surviving spouse has not been lawfully married to such
17 member for one year prior to retirement or separation from service if
18 a vested member, the surviving spouse shall not be eligible to receive
19 the benefits under this section: PROVIDED, That if a member dies as a
20 result of a disability incurred in the line of duty, then if he or she
21 was married at the time he or she was disabled, the surviving spouse
22 shall be eligible to receive the benefits under this section.

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

37 (4) In the event that there is no surviving spouse eligible to
38 receive benefits under this section, and that there be no child or

1 children eligible to receive benefits under this section, then the
2 accumulated contributions shall be paid to the estate of the member.

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

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

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

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

32 (2) If at the time of the death of a vested member with twenty or
33 more service credit years of service as provided in subsection (1) of
34 this section or a member retired for service or disability, the
35 surviving spouse has not been lawfully married to such member for one
36 year prior to retirement or separation from service if a vested member,
37 the surviving spouse shall not be eligible to receive the benefits
38 under this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (b) This subsection shall not apply retroactively.

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

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

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

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

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

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

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

7 (4) No benefit provided to a child survivor beneficiary under RCW
8 41.26.160 or 41.26.161 is affected or reduced by the member's selection
9 of the actuarially reduced spousal survivor benefit provided by this
10 section.

11 (5)(a) Any member who chose to receive a reduced retirement
12 allowance under subsection (1) of this section is entitled to receive
13 a retirement allowance adjusted in accordance with (b) of this
14 subsection if:

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

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

19 (b) The retirement allowance payable to the retiree from the
20 beginning of the month following the date of the beneficiaries death
21 shall be increased by the following:

22 (i) One hundred percent multiplied by the result of (b)(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 **Sec. 5.** RCW 41.50.670 and 1998 c 341 s 513 are each amended to
27 read as follows:

28 (1) Nothing in this chapter regarding mandatory assignment of
29 benefits to enforce a spousal maintenance obligation shall abridge the
30 right of an obligee to direct payments of retirement benefits to
31 satisfy a property division obligation ordered pursuant to a court
32 decree of dissolution or legal separation or any court order or court-
33 approved property settlement agreement incident to any court decree of
34 dissolution or legal separation as provided in RCW 2.10.180, 2.12.090,
35 41.04.310, 41.04.320, 41.04.330, 41.26.053, 41.26.162, 41.32.052,
36 41.35.100, 41.34.070(~~(+3)~~) (4), 41.40.052, 43.43.310, or 26.09.138, as
37 those statutes existed before July 1, 1987, and as those statutes exist
38 on and after July 28, 1991. The department shall pay benefits under

1 this chapter in a lump sum or as a portion of periodic retirement
2 payments as expressly provided by the dissolution order. A dissolution
3 order may not order the department to pay a periodic retirement payment
4 or lump sum unless that payment is specifically authorized under the
5 provisions of chapter 2.10, 2.12, 41.26, 41.32, 41.35, 41.34, 41.40, or
6 43.43 RCW, as applicable.

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

12 If (the obligor) receives periodic retirement payments
13 as defined in RCW 41.50.500, the department of retirement systems shall
14 pay to (the obligee) dollars from such payments
15 or . . . percent of such payments. If the obligor's debt is expressed
16 as a percentage of his or her periodic retirement payment and the
17 obligee does not have a survivorship interest in the obligor's benefit,
18 the amount received by the obligee shall be the percentage of the
19 periodic retirement payment that the obligor would have received had he
20 or she selected a standard allowance.

21 If (the obligor) requests or has requested a withdrawal
22 of accumulated contributions as defined in RCW 41.50.500, or becomes
23 eligible for a lump sum death benefit, the department of retirement
24 systems shall pay to (the obligee) dollars plus
25 interest at the rate paid by the department of retirement systems on
26 member contributions. Such interest to accrue from the date of this
27 order's entry with the court of record.

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

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

35 (5) Persons whose court decrees were entered between July 1, 1987,
36 and July 28, 1991, shall also be entitled to receive direct payments of
37 retirement benefits to satisfy court-ordered property divisions if the
38 dissolution orders comply or are modified to comply with this section
39 and RCW 41.50.680 through 41.50.720 and, as applicable, RCW 2.10.180,

1 2.12.090, 41.26.053, 41.32.052, 41.35.100, 41.34.070, 41.40.052,
2 43.43.310, and 26.09.138.

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

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

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

17 (1) Except under subsection (3) of this section, the department's
18 obligation to provide direct payment of a property division obligation
19 to an obligee under RCW 41.50.670 shall cease upon the death of the
20 obligee or upon the death of the obligor, whichever comes first.
21 However, if an obligor dies and is eligible for a lump sum death
22 benefit, the department shall be obligated to provide direct payment to
23 the obligee of all or a portion of the withdrawal of accumulated
24 contributions pursuant to a court order that complies with RCW
25 41.50.670.

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

30 (3) The department's obligation to provide direct payment to a
31 nonmember ex spouse from a preretirement divorce meeting the criteria
32 of RCW 41.26.162(2) or 43.43.270(2) may continue for the life of the
33 member's surviving spouse qualifying for benefits under RCW 41.26.160,
34 41.26.161, or 43.43.270(2). Upon the death of the member's surviving
35 spouse qualifying for benefits under RCW 41.26.160, 41.26.161, or
36 43.43.270(2), the department's obligation under this subsection shall
37 cease.

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

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

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

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

29 (2)(a) A member, if married, must provide the written consent of
30 his or her spouse to the option selected under this section, except as
31 provided in (b) of this subsection. If a member is married and both
32 the member and member's spouse do not give written consent to an option
33 under this section, the department will pay the member a joint and
34 fifty percent survivor benefit and record the member's spouse as the
35 beneficiary. Such benefit shall be calculated to be actuarially
36 equivalent to the benefit options available under subsection (1) of
37 this section unless spousal consent is not required as provided in (b)
38 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 41.26.530(1) 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 ages provided in RCW 41.26.430
30 and after filing a written application with the department.

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

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

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

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

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

11 (1) Upon an application for retirement for service under RCW
12 41.32.480 or retirement for disability under RCW 41.32.550, approved by
13 the department, every member shall receive the maximum retirement
14 allowance available to him or her throughout life unless prior to the
15 time the first installment thereof becomes due he or she has elected,
16 by executing the proper application therefor, to receive the actuarial
17 equivalent of his or her retirement allowance in reduced payments
18 throughout his or her life with the following options:

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

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

36 (c) Such other benefits shall be paid to a member receiving a
37 retirement allowance under RCW 41.32.497 as the member may designate
38 for himself, herself, or others equal to the actuarial value of his or

1 her retirement annuity at the time of his retirement: PROVIDED, That
2 the board of trustees shall limit withdrawals of accumulated
3 contributions to such sums as will not reduce the member's retirement
4 allowance below one hundred and twenty dollars per month.

5 (d) A member whose retirement allowance is calculated under RCW
6 41.32.498 may also elect to receive a retirement allowance based on
7 options available under this subsection that includes the benefit
8 provided under RCW 41.32.770. This retirement allowance option shall
9 also be calculated so as to be actuarially equivalent to the maximum
10 retirement allowance and to the options available under this
11 subsection.

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

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

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

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

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

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

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

38 (b) The retirement allowance payable to the retiree, as of July 1,
39 1998, or the date of the designated beneficiary's death, whichever

1 comes last, shall be increased by the percentage derived in (c) of this
2 subsection.

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

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

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

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

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

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

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

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

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

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

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

37 (a) A court-approved property settlement incident to a court decree
38 of dissolution made before retirement to provide that benefits payable
39 to a member who meets the length of service requirements of RCW

1 41.32.470 and the member's divorcing spouse be divided into two
2 separate benefits payable over the life of each spouse.

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

9 The nonmember ex spouse shall be eligible to commence receiving
10 their separate benefit upon reaching the age provided in RCW
11 41.32.480(2) and after filing a written application with the
12 department.

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

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

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

26 (c) The separate single life benefits of the member and the
27 nonmember ex spouse are not (i) subject to the minimum benefit
28 provisions of RCW 41.32.4851, or (ii) the minimum benefit annual
29 increase amount eligibility provisions of RCW 41.32.489 (2)(b) and
30 (3)(a).

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

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

37 (1) Upon retirement for service as prescribed in RCW 41.32.765 or
38 retirement for disability under RCW 41.32.790, a member shall elect to

1 have the retirement allowance paid pursuant to the following options,
2 calculated so as to be actuarially equivalent to each other.

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

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

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

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

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

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

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

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

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

12 (b) The retirement allowance payable to the retiree, as of July 1,
13 1998, or the date of the designated beneficiary's death, whichever
14 comes last, shall be increased by the percentage derived in (c) of this
15 subsection.

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

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

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

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

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

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

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

36 (ii) A member who entered into a postretirement marriage prior to
37 the effective date of the rules adopted pursuant to this subsection and
38 satisfies the conditions of (a)(i) of this subsection shall have one

1 year to designate their spouse as a survivor beneficiary following the
2 adoption of the rules.

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

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

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

12 (a) A court-approved property settlement incident to a court decree
13 of dissolution made before retirement to provide that benefits payable
14 to a member who meets the length of service requirements of RCW
15 41.32.815 and the member's divorcing spouse be divided into two
16 separate benefits payable over the life of each spouse.

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

23 The nonmember ex spouse shall be eligible to commence receiving
24 their separate benefit upon reaching the age provided in RCW
25 41.32.765(1) and after filing a written application with the
26 department.

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

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

36 Both the retired member and the nonmember divorced spouse shall be
37 eligible to commence receiving their separate benefits upon filing a
38 copy of the dissolution order with the department in accordance with
39 RCW 41.50.670.

1 (c) 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. 10.** RCW 41.32.851 and 2000 c 186 s 5 are each amended to read
6 as follows:

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

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

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

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

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

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

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

8 (3) 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 (4) 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 41.32.875(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 age provided in RCW
6 41.32.875(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 (3) 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) Any benefit distributed pursuant to chapter 41.31A RCW after
22 the date of the dissolution order creating separate benefits for a
23 member and nonmember ex spouse shall be paid solely to the member.

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

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

30 (1) Upon retirement for service as prescribed in RCW 41.35.420 or
31 41.35.680 or retirement for disability under RCW 41.35.440 or
32 41.35.690, a member shall elect to have the retirement allowance paid
33 pursuant to one of the following options, calculated so as to be
34 actuarially equivalent to each other.

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

37 ((However,))

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

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

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

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

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

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

36 (ii) The spousal consent provisions of (a) of this subsection do
37 not apply.

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

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

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

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

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

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

25 (a) A court-approved property settlement incident to a court decree
26 of dissolution made before retirement to provide that benefits payable
27 to a member of plan 2 who meets the length of service requirements of
28 RCW 41.35.420, or a member of plan 3 who meets the length of service
29 requirements of RCW 41.35.680(1), and the member's divorcing spouse be
30 divided into two separate benefits payable over the life of each
31 spouse.

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

38 The nonmember ex spouse shall be eligible to commence receiving
39 their separate benefit upon reaching the ages provided in RCW

1 41.35.420(1) for members of plan 2, or RCW 41.35.680(1) for members of
2 plan 3, and after filing a written application with the department.

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

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

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

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

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

23 **Sec. 12.** RCW 41.40.188 and 2000 c 186 s 7 are each amended to read
24 as follows:

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

30 (a) Standard allowance. A member electing this option shall
31 receive a retirement allowance payable throughout such member's life.
32 However, if the retiree dies before the total of the retirement
33 allowance paid to such retiree equals the amount of such retiree's
34 accumulated contributions at the time of retirement, then the balance
35 shall be paid to the member's estate, or such person or persons, trust,
36 or organization as the retiree shall have nominated by written
37 designation duly executed and filed with the department; or if there be
38 no such designated person or persons still living at the time of the

1 retiree's death, then to the surviving spouse; or if there be neither
2 such designated person or persons still living at the time of death nor
3 a surviving spouse, then to the retiree's legal representative.

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

13 (c) A member may elect to include the benefit provided under RCW
14 41.40.640 along with the retirement options available under this
15 section. This retirement allowance option shall be calculated so as to
16 be actuarially equivalent to the options offered under this subsection.

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

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

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

30 (ii) The spousal consent provisions of (a) of this subsection do
31 not apply.

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

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

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

3 (b) The retirement allowance payable to the retiree, as of July 1,
4 1998, or the date of the designated beneficiary's death, whichever
5 comes last, shall be increased by the percentage derived in (c) of this
6 subsection.

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

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

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

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

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

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

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

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

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

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

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

3 (a) A court-approved property settlement incident to a court decree
4 of dissolution made before retirement to provide that benefits payable
5 to a member who meets the length of service requirements of RCW
6 41.40.180(1) and the member's divorcing spouse be divided into two
7 separate benefits payable over the life of each spouse.

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

14 The nonmember ex spouse shall be eligible to commence receiving
15 their separate benefit upon reaching the age provided in RCW
16 41.40.180(1) and after filing a written application with the
17 department.

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

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

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

31 (c) The separate single life benefits of the member and the
32 nonmember ex spouse are not (i) subject to the minimum benefit
33 provisions of RCW 41.40.1984, or (ii) the minimum benefit annual
34 increase amount eligibility provisions of RCW 41.40.197 (2)(b) and
35 (3)(a).

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

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

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

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

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

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 shall pay a joint and fifty
33 percent survivor benefit calculated to be actuarially equivalent to the
34 benefit options available under subsection (1) of this section unless
35 spousal consent is not required as provided in (b) of this subsection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (5) 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 41.40.720 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 41.40.630(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 (4) 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. 14.** RCW 41.40.845 and 2000 c 247 s 314 are each amended to
11 read as follows:

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

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

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

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

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

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

14 (ii) The spousal consent provisions of (a) of this subsection do
15 not apply.

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

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

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

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

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

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

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

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

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

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

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

25 (a) A court-approved property settlement incident to a court decree
26 of dissolution made before retirement to provide that benefits payable
27 to a member who meets the length of service requirements of RCW
28 41.40.820(1) and the member's divorcing spouse be divided into two
29 separate benefits payable over the life of each spouse.

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

36 The nonmember ex spouse shall be eligible to commence receiving
37 their separate benefit upon reaching the age provided in RCW
38 41.40.820(1) and after filing a written application with the
39 department.

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

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

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

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

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

20 For members commissioned prior to January 1, 2003:

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

23 (2) If a member should die while in service the member's lawful
24 spouse shall be paid an allowance which shall be equal to fifty percent
25 of the average final salary of the member. If the member should die
26 after retirement the member's lawful spouse shall be paid an allowance
27 which shall be equal to the retirement allowance then payable to the
28 member or fifty percent of the final average salary used in computing
29 the member's retirement allowance, whichever is less. The allowance
30 paid to the lawful spouse shall continue as long as the spouse lives:
31 PROVIDED, That if a surviving spouse who is receiving benefits under
32 this subsection marries another member of this retirement system who
33 subsequently predeceases such spouse, the spouse shall then be entitled
34 to receive the higher of the two survivors' allowances for which
35 eligibility requirements were met, but a surviving spouse shall not
36 receive more than one survivor's allowance from this system at the same
37 time under this subsection. To be eligible for an allowance the lawful
38 surviving spouse of a retired member shall have been married to the

1 member prior to the member's retirement and continuously thereafter
2 until the date of the member's death or shall have been married to the
3 retired member at least two years prior to the member's death. The
4 allowance paid to the lawful spouse may be divided with an ex spouse of
5 the member by a dissolution order as defined in RCW 41.50.500(3)
6 incident to a divorce occurring after July 1, 2002. The dissolution
7 order must specifically divide both the member's benefit and any
8 spousal survivor benefit, and must fully comply with RCW 41.50.670 and
9 41.50.700.

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

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

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

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

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

37 (b) If there is no surviving spouse or the spouse should die, the
38 unmarried child or children shall be entitled to receive a benefit
39 equal to thirty percent of the final average salary of the member or

1 retired member for one child and an additional ten percent for each
2 additional child. The combined benefits to the children under this
3 subsection shall not exceed sixty percent of the final average salary.
4 Payments under this subsection shall be prorated equally among the
5 children, if more than one; and

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

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

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

15 (1) A member commissioned on or after January 1, 2003, upon
16 retirement for service as prescribed in RCW 43.43.250 or disability
17 retirement under RCW 43.43.040, shall elect to have the retirement
18 allowance paid pursuant to the following options, calculated so as to
19 be actuarially equivalent to each other.

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

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

1 adopted by the department shall include, but are not limited to, a
2 joint and one hundred percent survivor option and a joint and fifty
3 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 member's spouse do not give written consent to an option
8 under this section, the department will pay the member a joint and
9 fifty percent survivor benefit and record the member's spouse as the
10 beneficiary. This benefit shall be calculated to be actuarially
11 equivalent to the benefit options available under subsection (1) of
12 this section unless spousal consent is not required as provided in (b)
13 of this subsection.

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

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

19 (ii) The spousal consent provisions of (a) of this subsection do
20 not apply.

21 (3) No later than January 1, 2003, the department shall adopt rules
22 that allow a member additional actuarially equivalent survivor benefit
23 options, and shall include, but are not limited to:

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

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

36 (b) A retired member who elected to receive a reduced retirement
37 allowance under this section and designated a nonspouse as survivor
38 beneficiary shall have the opportunity to remove the survivor
39 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 who has completed at least five years of service and the
9 member's divorcing spouse be divided into two separate benefits payable
10 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 ages provided in RCW
19 43.43.250(2) 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 (3) 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.

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