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ENGROSSED SENATE BILL 6380

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State of Washington 57th Legislature

2002 Regular Session

By Senators Winsley, Fraser, Carlson, Spanel, Jacobsen, Regala, Rasmussen, McAuliffe and Kohl-Welles; by request of Joint Committee on Pension Policy

Read first time 01/16/2002. Referred to Committee on Ways & Means.

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 41.26.162, 41.50.670, 41.50.700, 41.26.460, 41.32.530, 41.32.785,  
7 41.32.851, 41.35.220, 41.40.188, 41.40.660, 41.40.845, 43.43.270, and  
8 43.43.271; and adding a new section to chapter 41.26 RCW.

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

10 **Sec. 1.** RCW 41.26.162 and 1991 sp.s. c 12 s 2 are each amended to  
11 read as follows:

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

15 ((a)) (i) Has been provided benefits under any currently  
16 effective court decree of dissolution or legal separation or in any  
17 court order or court-approved property settlement agreement incident to  
18 any court decree of dissolution or legal separation entered after the  
19 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) Divorced the member after being married to the member for at  
12 least thirty years, including at least twenty years prior to the  
13 member's retirement or separation from service if a vested member;

14       (ii) Entered into a court order or court-approved property  
15 settlement agreement incident to the divorce that awarded a portion of  
16 the member's benefits to the ex spouse;

17 shall continue to receive that portion of the member's benefit after  
18 the member's death as if the member was still alive.

19       (b) This subsection shall apply retroactively, however no payments  
20 shall be made to an ex spouse of a deceased member qualifying under  
21 this subsection for any period prior to the effective date of this act.

22       NEW SECTION. Sec. 2. A new section is added to chapter 41.26 RCW  
23 under subchapter heading "plan 1" to read as follows:

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

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

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

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

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

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

10 (4) No benefit provided to a child survivor beneficiary under RCW  
11 41.26.160 or 41.26.161 is affected or reduced by the member's selection  
12 of the actuarially reduced spousal survivor benefit provided by this  
13 section.

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

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

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

22 (b) The retirement allowance payable to the retiree from the  
23 beginning of the month following the date of the beneficiaries death  
24 shall be increased by the following:

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

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

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

31 (1) Nothing in this chapter regarding mandatory assignment of  
32 benefits to enforce a spousal maintenance obligation shall abridge the  
33 right of an obligee to direct payments of retirement benefits to  
34 satisfy a property division obligation ordered pursuant to a court  
35 decree of dissolution or legal separation or any court order or court-  
36 approved property settlement agreement incident to any court decree of  
37 dissolution or legal separation as provided in RCW 2.10.180, 2.12.090,  
38 41.04.310, 41.04.320, 41.04.330, 41.26.053, 41.26.162, 41.32.052,

1 41.35.100, 41.34.070(~~(3)~~) (4), 41.40.052, 43.43.310, or 26.09.138, as  
2 those statutes existed before July 1, 1987, and as those statutes exist  
3 on and after July 28, 1991. The department shall pay benefits under  
4 this chapter in a lump sum or as a portion of periodic retirement  
5 payments as expressly provided by the dissolution order. A dissolution  
6 order may not order the department to pay a periodic retirement payment  
7 or lump sum unless that payment is specifically authorized under the  
8 provisions of chapter 2.10, 2.12, 41.26, 41.32, 41.35, 41.34, 41.40, or  
9 43.43 RCW, as applicable.

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

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

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

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

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

38 (5) Persons whose court decrees were entered between July 1, 1987,  
39 and July 28, 1991, shall also be entitled to receive direct payments of

1 retirement benefits to satisfy court-ordered property divisions if the  
2 dissolution orders comply or are modified to comply with this section  
3 and RCW 41.50.680 through 41.50.720 and, as applicable, RCW 2.10.180,  
4 2.12.090, 41.26.053, 41.32.052, 41.35.100, 41.34.070, 41.40.052,  
5 43.43.310, and 26.09.138.

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

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

18 **Sec. 4.** RCW 41.50.700 and 1991 c 365 s 16 are each amended to read  
19 as follows:

20 (1) Except under subsection (3) of this section, the department's  
21 obligation to provide direct payment of a property division obligation  
22 to an obligee under RCW 41.50.670 shall cease upon the death of the  
23 obligee or upon the death of the obligor, whichever comes first.  
24 However, if an obligor dies and is eligible for a lump sum death  
25 benefit, the department shall be obligated to provide direct payment to  
26 the obligee of all or a portion of the withdrawal of accumulated  
27 contributions pursuant to a court order that complies with RCW  
28 41.50.670.

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

33 (3) The department's obligation to provide direct payment continues  
34 for the life of an ex spouse from a preretirement divorce meeting the  
35 criteria of RCW 41.26.162(2).

36 **Sec. 5.** RCW 41.26.460 and 2000 c 186 s 1 are each amended to read  
37 as follows:

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

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

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

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

37 (b) If a copy of a dissolution order designating a survivor  
38 beneficiary under RCW 41.50.790 has been filed with the department at  
39 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 41.26.530(1) and the member's divorcing spouse be divided into two  
17 separate benefits payable over the life of each spouse.

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

24 The nonmember ex spouse shall be eligible to commence receiving  
25 their separate benefit upon reaching the ages provided in RCW 41.26.430  
26 and after filing a written application with the 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. 6.** RCW 41.32.530 and 2000 c 186 s 2 are each amended to read  
6 as follows:

7       (1) Upon an application for retirement for service under RCW  
8 41.32.480 or retirement for disability under RCW 41.32.550, approved by  
9 the department, every member shall receive the maximum retirement  
10 allowance available to him or her throughout life unless prior to the  
11 time the first installment thereof becomes due he or she has elected,  
12 by executing the proper application therefor, to receive the actuarial  
13 equivalent of his or her retirement allowance in reduced payments  
14 throughout his or her life with the following options:

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

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

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

1 (d) A member whose retirement allowance is calculated under RCW  
2 41.32.498 may also elect to receive a retirement allowance based on  
3 options available under this subsection that includes the benefit  
4 provided under RCW 41.32.770. This retirement allowance option shall  
5 also be calculated so as to be actuarially equivalent to the maximum  
6 retirement allowance and to the options available under this  
7 subsection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (a) A court-approved property settlement incident to a court decree  
35 of dissolution made before retirement to provide that benefits payable  
36 to a member who meets the length of service requirements of RCW  
37 41.32.470 and the member's divorcing spouse be divided into two  
38 separate benefits payable over the life of each spouse.

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

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

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

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

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

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

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

33       **Sec. 7.** RCW 41.32.785 and 2000 c 186 s 4 are each amended to read  
34 as follows:

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

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

13 (b) The department shall adopt rules that allow a member to select  
14 a retirement option that pays the member a reduced retirement allowance  
15 and upon death, such portion of the member's reduced retirement  
16 allowance as the department by rule designates shall be continued  
17 throughout the life of and paid to a designated person. Such person  
18 shall be nominated by the member by written designation duly executed  
19 and filed with the department at the time of retirement. The options  
20 adopted by the department shall include, but are not limited to, a  
21 joint and one hundred percent survivor option and a joint and fifty  
22 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 member's spouse do not give written consent to an option  
27 under this section, the department will pay the member a joint and  
28 fifty percent survivor benefit and record the member's spouse as the  
29 beneficiary. Such benefit shall be calculated to be actuarially  
30 equivalent to the benefit options available under subsection (1) of  
31 this section unless spousal consent is not required as provided in (b)  
32 of this subsection.

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

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

38 (ii) The spousal consent provisions of (a) of this subsection do  
39 not apply.

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

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

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

10 (b) The retirement allowance payable to the retiree, as of July 1,  
11 1998, or the date of the designated beneficiary's death, whichever  
12 comes last, shall be increased by the percentage derived in (c) of this  
13 subsection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (c) The department may make an additional charge or adjustment if  
39 necessary to ensure that the separate benefits provided under this

1 subsection are actuarially equivalent to the benefits payable prior to  
2 the decree of dissolution.

3 **Sec. 8.** RCW 41.32.851 and 2000 c 186 s 5 are each amended to read  
4 as follows:

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

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

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

22 ~~(2) ((A member, if married, must provide the written consent of his~~  
23 ~~or her spouse to the option selected under this section. If a member~~  
24 ~~is married and both the member and the member's spouse do not give~~  
25 ~~written consent to an option under this section, the department shall~~  
26 ~~pay a joint and fifty percent survivor benefit calculated to be~~  
27 ~~actuarially equivalent to the benefit options available under~~  
28 ~~subsection (1) of this section))~~ (a) A member, if married, must provide  
29 the written consent of his or her spouse to the option selected under  
30 this section, except as provided in (b) of this subsection. If a  
31 member is married and both the member and the member's spouse do not  
32 give written consent to an option under this section, the department  
33 shall pay a joint and fifty-percent survivor benefit calculated to be  
34 actuarially equivalent to the benefit options available under  
35 subsection (1) of this section unless spousal consent is not required  
36 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. 9.** 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. 10.** 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. 11.** 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. 12.** 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. 13.** 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. 14.** 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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