
Appropriations Committee

HB 1036

Brief Description: Addressing survivor benefits from the public employees' retirement system for survivors of members in registered domestic partnerships prior to December 2012.

Sponsors: Representatives Moeller, Appleton, Jinkins, Gregerson, Bergquist, Ormsby and Riccelli.

Brief Summary of Bill

- Provides the survivor of a member of the Public Employees' Retirement System (PERS) Plans that was a registered domestic partner of a member prior to December 1, 2008, was married to the member prior to January 1, 2013, was the designated beneficiary of the member, and was predeceased by the member prior to January 1, 2014, the option to designate themselves as a survivor beneficiary and receive a joint and 50 percent survivor benefit.

Hearing Date: 1/29/15

Staff: David Pringle (786-7310).

Background:

The Public Employees' Retirement System, Plans 1 and 2 (PERS 1 and 2), the Teachers' Retirement System, Plans 1, 2, and 3 (TRS 1, 2 and 3), and the School Employees' Retirement System, Plans 2 and 3 (SERS 2 and 3), as well as most other Washington State Retirement System plans 2 are optional survivor benefit plans. This means that members who elect to have a survivor benefit for a spouse or other designated person must take an actuarial reduction in their pension benefit to do so. The amount of the reduction is based on three factors: (1) the difference in the age of the member and designated survivor; (2) the expected survivor's benefit; and (3) the member's retirement system and plan.

Members of the PERS 1 and 2, the TRS 1, 2 and 3, the SERS 2 and 3, and the LEOFF 2 all have the option of including joint and survivor coverage as part of their pension benefit. The monthly

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pension of a retiree who chooses a survivor benefit is reduced to pay for the survivor benefit. The designation of the retiree's beneficiary, who may be someone other than a spouse, must be made at the time of retirement. Among the survivor benefit options provided is a joint and 50 percent survivor benefit, which pays a reduced retirement benefit during the member's life, and following the member's death provides one-half that amount for the life of the survivor beneficiary.

Since 2000, a member who retired without designating a survivor beneficiary has been provided the option of designating the spouse from a post-retirement marriage as a survivor. This option is available during a one-year period that begins after the retiree has been married for one year, provided that the retiree's monthly benefit is not subject to a property settlement agreement from a court decree of dissolution or legal separation.

State registered domestic partnerships were created by the Legislature in 2007. The law provided an equal legal status for state registered domestic partners to married spouses that was expanded in 2010 for most purposes under state law. The 2010 expansion of state registered domestic partnerships specified that the Washington State Retirement System would apply these equal treatment provisions beginning January 1, 2014. In 2012 the Legislature enacted Chapter 3, Laws of 2012, authorizing same sex marriage. Following voter approval of Referendum 74, persons in domestic partnerships were permitted to apply and receive a marriage license beginning December 6, 2012.

Summary of Bill:

The survivor of a member of the Public Employees' Retirement System Plans 1, 2, or 3 (PERS) that was a registered domestic partner of a member prior to December 1, 2008, was married to the member prior to January 1, 2013, was the designated beneficiary of the member, and was predeceased by the member prior to January 1, 2014, may designate themselves as a survivor beneficiary and receive a joint and 50 percent survivor benefit. This survivor beneficiary designation must be according to rules adopted by the Department of Retirement Systems and be made between September 1, 2015, and December 1, 2015.

Appropriation: None.

Fiscal Note: Requested on January 13, 2015.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.