
HOUSE BILL 1036

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By Representatives Moeller, Appleton, Jinkins, Gregerson, Bergquist, Ormsby, and Riccelli

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1 AN ACT Relating to survivor benefits from the public employees'
2 retirement system for survivors of members in registered domestic
3 partnerships prior to December 2012; and amending RCW 41.40.188,
4 41.40.660, and 41.40.845.

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

6 **Sec. 1.** RCW 41.40.188 and 2002 c 158 s 12 are each amended to
7 read as follows:

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

13 (a) Standard allowance. A member electing this option shall
14 receive a retirement allowance payable throughout such member's life.
15 However, if the retiree dies before the total of the retirement
16 allowance paid to such retiree equals the amount of such retiree's
17 accumulated contributions at the time of retirement, then the balance
18 shall be paid to the member's estate, or such person or persons,
19 trust, or organization as the retiree shall have nominated by written
20 designation duly executed and filed with the department; or if there
21 be no such designated person or persons still living at the time of

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

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

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

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

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

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

34 (ii) The spousal consent provisions of (a) of this subsection do
35 not apply.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (a) A court-approved property settlement incident to a court
4 decree of dissolution made before retirement to provide that benefits
5 payable to a member who meets the length of service requirements of
6 RCW 41.40.180(1) and the member's divorcing spouse be divided into
7 two 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
12 benefit subsequent to the division into two separate benefits shall
13 be made 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
19 decree of dissolution made after retirement may only divide the
20 benefit into two separate benefits payable over the life of each
21 spouse if the nonmember ex spouse was selected as a survivor
22 beneficiary at 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
28 be eligible to commence receiving their separate benefits upon filing
29 a copy of the dissolution order with the department in accordance
30 with 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
39 to the decree of dissolution.

1 (6)(a) No later than September 1, 2015, the department shall
2 adopt rules to permit the spouse of a member who: (i) Was a
3 registered domestic partner of the member prior to December 1, 2008;
4 (ii) was married to the deceased member prior to January 1, 2013;
5 (iii) was the designated beneficiary of the member; and (iv) was
6 predeceased by the member prior to January 1, 2014, the opportunity
7 to designate themselves as a postretirement marriage survivor between
8 September 1, 2015, and December 31, 2015, provided the retirement
9 allowance payable to the retiree is not subject to periodic payments
10 pursuant to a property division obligation as provided for in RCW
11 41.50.670.

12 (b) The survivor benefit payable to a member meeting the
13 requirements of (a) of this subsection is the equivalent of a joint
14 and fifty percent survivor option, and is not payable until the
15 surviving spouse reimburses the department for any accumulated
16 contributions previously paid to the surviving spouse as the
17 designated beneficiary of the member.

18 **Sec. 2.** RCW 41.40.660 and 2003 c 294 s 6 are each amended to
19 read as follows:

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

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

38 (b) The department shall adopt rules that allow a member to
39 select a retirement option that pays the member a reduced retirement

1 allowance and upon death, such portion of the member's reduced
2 retirement allowance as the department by rule designates shall be
3 continued throughout the life of and paid to a person nominated by
4 the member by written designation duly executed and filed with the
5 department at the time of retirement. The options adopted by the
6 department shall include, but are not limited to, a joint and one
7 hundred percent survivor option and a joint and fifty percent
8 survivor option.

9 (2)(a) A member, if married, must provide the written consent of
10 his or her spouse to the option selected under this section, except
11 as provided in (b) of this subsection. If a member is married and
12 both the member and the member's spouse do not give written consent
13 to an option under this section, the department shall pay a joint and
14 fifty percent survivor benefit 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
17 (b) 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
35 1, 1998, or the date of the designated beneficiary's death, whichever
36 comes last, shall be increased by the percentage derived in (c) of
37 this subsection.

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

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

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

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

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

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

11 (a)(i) A retired member who retired without designating a
12 survivor beneficiary shall have the opportunity to designate their
13 spouse from a postretirement marriage as a survivor during a one-year
14 period beginning one year after the date of the postretirement
15 marriage provided the retirement allowance payable to the retiree is
16 not subject to periodic payments pursuant to a property division
17 obligation as 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
20 and satisfies the conditions of (a)(i) of this subsection shall have
21 one year to designate their spouse as a survivor beneficiary
22 following the 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,
28 to ensure that the benefits provided under this subsection remain
29 actuarially equivalent.

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

32 (a) A court-approved property settlement incident to a court
33 decree of dissolution made before retirement to provide that benefits
34 payable to a member who meets the length of service requirements of
35 RCW 41.40.720 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
40 subsection (2) of this section. Any reductions of the member's

1 benefit subsequent to the division into two separate benefits shall
2 be made solely to the separate benefit of the member.

3 The nonmember ex spouse shall be eligible to commence receiving
4 their separate benefit upon reaching the age provided in RCW
5 41.40.630(1) and after filing a written application with the
6 department.

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

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

16 Both the retired member and the nonmember divorced spouse shall
17 be eligible to commence receiving their separate benefits upon filing
18 a copy of the dissolution order with the department in accordance
19 with RCW 41.50.670.

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

24 (6)(a) No later than September 1, 2015, the department shall
25 adopt rules to permit the spouse of a member who: (i) Was a
26 registered domestic partner of the member prior to December 1, 2008;
27 (ii) was married to the deceased member prior to January 1, 2013;
28 (iii) was the designated beneficiary of the member; and (iv) was
29 predeceased by the member prior to January 1, 2014, the opportunity
30 to designate themselves as a postretirement marriage survivor between
31 September 1, 2015, and December 31, 2015, provided the retirement
32 allowance payable to the retiree is not subject to periodic payments
33 pursuant to a property division obligation as provided for in RCW
34 41.50.670.

35 (b) The survivor benefit payable to a member meeting the
36 requirements of (a) of this subsection is the equivalent of a joint
37 and fifty percent survivor option, and is not payable until the
38 surviving spouse reimburses the department for any accumulated
39 contributions previously paid to the surviving spouse as the
40 designated beneficiary of the member.

1 **Sec. 3.** RCW 41.40.845 and 2003 c 294 s 9 are each amended to
2 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 The nonmember ex spouse shall be eligible to commence receiving
34 their separate benefit upon reaching the age provided in RCW
35 41.40.820(1) and after filing a written application with the
36 department.

37 (b) A court-approved property settlement incident to a court
38 decree of dissolution made after retirement may only divide the
39 benefit into two separate benefits payable over the life of each

1 spouse if the nonmember ex spouse was selected as a survivor
2 beneficiary at retirement.

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

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

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

14 (d) 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
17 to the decree of dissolution.

18 (5)(a) No later than September 1, 2015, the department shall
19 adopt rules to permit the spouse of a member who: (i) Was a
20 registered domestic partner of the member prior to December 1, 2008;
21 (ii) was married to the deceased member prior to January 1, 2013;
22 (iii) was the designated beneficiary of the member; and (iv) was
23 predeceased by the member prior to January 1, 2014, the opportunity
24 to designate themselves as a postretirement marriage survivor between
25 September 1, 2015, and December 31, 2015, provided the retirement
26 allowance payable to the retiree is not subject to periodic payments
27 pursuant to a property division obligation as provided for in RCW
28 41.50.670.

29 (b) The survivor benefit payable to a member meeting the
30 requirements of (a) of this subsection is the equivalent of a joint
31 and fifty percent survivor option, and is not payable until the
32 surviving spouse reimburses the department for any accumulated
33 contributions previously paid to the surviving spouse as the
34 designated beneficiary of the member.

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