

SENATE BILL REPORT

HB 1408

As Reported by Senate Committee On:
Ways & Means, March 18, 2019

Title: An act relating to clarifying the written consent requirement for survivorship benefit options.

Brief Description: Clarifying the written consent requirement for survivorship benefit options.

Sponsors: Representatives Volz, Ormsby, Fitzgibbon and Bergquist; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board.

Brief History: Passed House: 3/04/19, 96-0.

Committee Activity: Ways & Means: 3/18/19 [DP, w/oRec].

Brief Summary of Bill

- Eliminates the written consent requirement that a spouse or domestic partner must provide when certain joint pension benefit options are selected by a member of a state retirement system.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Hunt, Keiser, Liias, Palumbo, Pedersen, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senator Hasegawa.

Staff: Amanda Cecil (786-7460)

Background: Members, that are married or a domestic partner, of a plan administered by the Department of Retirement Systems (DRS) have the option of selecting a survivorship benefit as part of their pension benefit. A survivorship benefit allows for all or a portion of the pension benefit to continue for a survivor following the member's death.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Members currently have four survivorship benefit options to choose from:

- Single Life, where there is no survivorship benefit;
- a full survivorship benefit or 100 percent;
- a two-thirds survivorship benefit or 66.67 percent; and
- a half survivorship benefit or 50 percent.

With a survivorship benefit, the member's lifetime monthly benefit is actuarially reduced. This means that today's value of the member's lifetime benefit remains the same, however depending on the benefit option selected, the monthly payments received by the member may be larger or smaller because they are stretched out over the course of the member's and survivor's lifetime.

A notarized spousal consent form is required by DRS when a member selects anything other than the 50 percent option. If written consent is not provided the member will receive a 50 percent option with their spouse or domestic partner as the beneficiary.

Summary of Bill: Written spousal consent is only required when a married member chooses a Single Life option.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: No public hearing was held.

Persons Testifying: N/A

Persons Signed In To Testify But Not Testifying: N/A