

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1408

Chapter 102, Laws of 2019

66th Legislature
2019 Regular Session

STATE RETIREMENT SYSTEMS--PENSION SURVIVORSHIP BENEFIT--WRITTEN
CONSENT

EFFECTIVE DATE: July 28, 2019

Passed by the House March 4, 2019
Yeas 96 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 10, 2019
Yeas 45 Nays 1

KAREN KEISER

President of the Senate

Approved April 23, 2019 3:52 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1408** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

April 24, 2019

**Secretary of State
State of Washington**

HOUSE BILL 1408

Passed Legislature - 2019 Regular Session

State of Washington

66th Legislature

2019 Regular Session

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

Read first time 01/21/19. Referred to Committee on Appropriations.

1 AN ACT Relating to clarifying the written consent requirement for
2 survivorship benefit options; and amending RCW 41.26.460, 41.32.530,
3 41.32.785, 41.32.851, 41.35.220, 41.37.170, 41.40.188, 41.40.660,
4 41.40.845, and 43.43.271.

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

6 **Sec. 1.** RCW 41.26.460 and 2009 c 523 s 5 are each amended to
7 read as follows:

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

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

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

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

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

26 (b) Written consent from a spouse or domestic partner is not
27 required if a member who is married or a domestic partner selects a
28 joint and survivor option under subsection (1)(b) of this section and
29 names the member's spouse or domestic partner as the survivor
30 beneficiary.

31 (c) 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 or domestic partner consent provisions of (a) of
37 this subsection do not apply.

38 (3)(a) Any member who retired before January 1, 1996, and who
39 elected to receive a reduced retirement allowance under subsection
40 (1)(b) or (2) of this section is entitled to receive a retirement

allowance adjusted in accordance with (b) of this subsection, if they meet the following conditions:

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

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

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

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

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

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

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

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

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

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

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

(b) A retired member who elected to receive a reduced retirement allowance under this section and designated a nonspouse or a person not their domestic partner as survivor beneficiary shall have the

1 opportunity to remove the survivor designation and have their future
2 benefit adjusted.

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

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

8 (a) A court-approved property settlement incident to a court
9 decree of dissolution made before retirement to provide that benefits
10 payable to a member who meets the length of service requirements of
11 RCW 41.26.530(1) and the member's divorcing spouse or domestic
12 partner be divided into two separate benefits payable over the life
13 of each spouse or domestic partner.

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

21 The nonmember ex spouse or former domestic partner shall be
22 eligible to commence receiving their separate benefit upon reaching
23 the ages provided in RCW 41.26.430(1) and after filing a written
24 application with the department.

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

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

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

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

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

Sec. 2. RCW 41.32.530 and 2002 c 158 s 8 are each amended to read as follows:

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

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

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

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

(d) A member whose retirement allowance is calculated under RCW 41.32.498 may also elect to receive a retirement allowance based on options available under this subsection that includes the benefit

1 provided under RCW 41.32.770. This retirement allowance option shall
2 also be calculated so as to be actuarially equivalent to the maximum
3 retirement allowance and to the options available under this
4 subsection.

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

15 (b) Written consent from a spouse or domestic partner is not
16 required if a member who is married or a domestic partner selects a
17 joint and survivor option under subsection (1)(b) of this section and
18 names the member's spouse or domestic partner as the survivor
19 beneficiary.

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

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

25 (ii) The spousal consent provisions of (a) of this subsection do
26 not apply.

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

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

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

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

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

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

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

5 (iii) The joint and survivor option factor shall be from the
6 table 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
12 benefit options, and shall include, but are not limited to:

13 (a)(i) A retired member who retired without designating a
14 survivor beneficiary shall have the opportunity to designate their
15 spouse from a postretirement marriage as a survivor during a one-year
16 period beginning one year after the date of the postretirement
17 marriage provided the retirement allowance payable to the retiree is
18 not subject to periodic payments pursuant to a property division
19 obligation as 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
22 and satisfies the conditions of (a)(i) of this subsection shall have
23 one year to designate their spouse as a survivor beneficiary
24 following the 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,
30 to 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
33 to permit:

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

39 The member shall have available the benefit options of subsection
40 (1) of this section upon retirement, and if remarried at the time of

1 retirement remains subject to the spousal consent requirements of
2 subsection (2) of this section. Any reductions of the member's
3 benefit subsequent to the division into two separate benefits shall
4 be made solely to the separate benefit of the member.

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

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

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

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

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

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

31 **Sec. 3.** RCW 41.32.785 and 2002 c 158 s 9 are each amended to
32 read as follows:

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

37 (a) Standard allowance. A member electing this option shall
38 receive a retirement allowance payable throughout such member's life.
39 However, if the retiree dies before the total of the retirement

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

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 designated person.
16 Such person shall be nominated by the member by written designation
17 duly executed and filed with the department at the time of
18 retirement. The options adopted by the department shall include, but
19 are not limited to, a joint and one hundred percent survivor option
20 and a joint and fifty percent 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) and (c) of this subsection. If a member is married
24 and both the member and member's spouse do not give written consent
25 to an option under this section, the department will pay the member a
26 joint and fifty percent survivor benefit and record the member's
27 spouse as the beneficiary. Such benefit shall be calculated to be
28 actuarially equivalent to the benefit options available under
29 subsection (1) of this section unless spousal consent is not required
30 as provided in (b) and (c) of this subsection.

31 (b) Written consent from a spouse or domestic partner is not
32 required if a member who is married or a domestic partner selects a
33 joint and survivor option under subsection (1)(b) of this section and
34 names the member's spouse or domestic partner as the survivor
35 beneficiary.

36 (c) 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:

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (ii) A member who entered into a postretirement marriage prior to
37 the effective date of the rules adopted pursuant to this subsection
38 and satisfies the conditions of (a)(i) of this subsection shall have
39 one year to designate their spouse as a survivor beneficiary
40 following the 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,
6 to 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
9 to permit:

10 (a) A court-approved property settlement incident to a court
11 decree of dissolution made before retirement to provide that benefits
12 payable to a member who meets the length of service requirements of
13 RCW 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
19 benefit subsequent to the division into two separate benefits shall
20 be made 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
26 decree of dissolution made after retirement may only divide the
27 benefit into two separate benefits payable over the life of each
28 spouse if the nonmember ex spouse was selected as a survivor
29 beneficiary at 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
35 be eligible to commence receiving their separate benefits upon filing
36 a copy of the dissolution order with the department in accordance
37 with 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

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

Sec. 4. RCW 41.32.851 and 2002 c 158 s 10 are each amended to read as follows:

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

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

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

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

(b) Written consent from a spouse or domestic partner is not required if a member who is married or a domestic partner selects a joint and survivor option under subsection (1)(b) of this section and names the member's spouse or domestic partner as the survivor beneficiary.

(c) If a copy of a dissolution order designating a survivor beneficiary under RCW 41.50.790 has been filed with the department at 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) No later than July 1, 2001, the department shall adopt rules
6 that allow a member additional actuarially equivalent survivor
7 benefit options, and shall include, but are not limited to:

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

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

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

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

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

29 (a) A court-approved property settlement incident to a court
30 decree of dissolution made before retirement to provide that benefits
31 payable to a member who meets the length of service requirements of
32 RCW 41.32.875(1) and the member's divorcing spouse be divided into
33 two separate benefits payable over the life of each spouse.

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

1 The nonmember ex spouse shall be eligible to commence receiving
2 their separate benefit upon reaching the age provided in RCW
3 41.32.875(1) and after filing a written application with the
4 department.

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

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

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

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

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

26 **Sec. 5.** RCW 41.35.220 and 2002 c 158 s 11 are each amended to
27 read as follows:

28 (1) Upon retirement for service as prescribed in RCW 41.35.420 or
29 41.35.680 or retirement for disability under RCW 41.35.440 or
30 41.35.690, a member shall elect to have the retirement allowance paid
31 pursuant to one of the following options, calculated so as to be
32 actuarially equivalent to each other.

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

35 (i) For members of plan 2, if the retiree dies before the total
36 of the retirement allowance paid to such retiree equals the amount of
37 such retiree's accumulated contributions at the time of retirement,
38 then the balance shall be paid to the member's estate, or such person
39 or persons, trust, or organization as the retiree shall have

1 nominated by written designation duly executed and filed with the
2 department; or if there be no such designated person or persons still
3 living at the time of the retiree's death, then to the surviving
4 spouse; or if there be neither such designated person or persons
5 still living at the time of death nor a surviving spouse, then to the
6 retiree's legal representative.

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

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

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

28 (b) Written consent from a spouse or domestic partner is not
29 required if a member who is married or a domestic partner selects a
30 joint and survivor option under subsection (1)(b) of this section and
31 names the member's spouse or domestic partner as the survivor
32 beneficiary.

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

4 (a)(i) A retired member who retired without designating a
5 survivor beneficiary shall have the opportunity to designate their
6 spouse from a postretirement marriage as a survivor during a one-year
7 period beginning one year after the date of the postretirement
8 marriage provided the retirement allowance payable to the retiree is
9 not subject to periodic payments pursuant to a property division
10 obligation as 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
13 and satisfies the conditions of (a)(i) of this subsection shall have
14 one year to designate their spouse as a survivor beneficiary
15 following the 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,
21 to 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
24 to permit:

25 (a) A court-approved property settlement incident to a court
26 decree of dissolution made before retirement to provide that benefits
27 payable to a member of plan 2 who meets the length of service
28 requirements of RCW 41.35.420, or a member of plan 3 who meets the
29 length of service requirements of RCW 41.35.680(1), and the member's
30 divorcing spouse be divided into two separate benefits payable over
31 the life of each 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
36 benefit subsequent to the division into two separate benefits shall
37 be made 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
40 41.35.420(1) for members of plan 2, or RCW 41.35.680(1) for members

1 of plan 3, and after filing a written application with the
2 department.

3 (b) A court-approved property settlement incident to a court
4 decree of dissolution made after retirement may only divide the
5 benefit into two separate benefits payable over the life of each
6 spouse if the nonmember ex spouse was selected as a survivor
7 beneficiary at 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
13 be eligible to commence receiving their separate benefits upon filing
14 a copy of the dissolution order with the department in accordance
15 with RCW 41.50.670.

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

20 ~~(d))~~ The department may make an additional charge or adjustment
21 if 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 **Sec. 6.** RCW 41.37.170 and 2004 c 242 s 23 are each amended to
25 read as follows:

26 (1) Upon retirement for service as prescribed in RCW 41.37.210 or
27 retirement for disability under RCW 41.37.230, a member shall elect
28 to have the retirement allowance paid pursuant to one of the
29 following options, calculated so as to be actuarially equivalent to
30 each other.

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

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

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

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

23 (b) Written consent from a spouse or domestic partner is not
24 required if a member who is married or a domestic partner selects a
25 joint and survivor option under subsection (1)(b) of this section and
26 names the member's spouse or domestic partner as the survivor
27 beneficiary.

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

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

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

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

38 (a)(i) A retired member who retired without designating a
39 survivor beneficiary shall have the opportunity to designate their
40 spouse from a postretirement marriage as a survivor during a one-year

1 period beginning one year after the date of the postretirement
2 marriage provided the retirement allowance payable to the retiree is
3 not subject to periodic payments pursuant to a property division
4 obligation as provided for in RCW 41.50.670.

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

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

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

17 (4) The department shall adopt rules to permit:

18 (a) A court-approved property settlement incident to a court
19 decree of dissolution made before retirement to provide that benefits
20 payable to a member who meets the length of service requirements of
21 RCW 41.37.210 and the member's divorcing spouse be divided into two
22 separate benefits payable over the life of each spouse.

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

29 The nonmember ex spouse shall be eligible to commence receiving
30 their separate benefit upon reaching the age provided in RCW
31 41.37.210(1) and after filing a written application with the
32 department.

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

38 The retired member may later choose the survivor benefit options
39 available in subsection (3) of this section. Any actuarial reductions

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

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

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

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

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

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

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

1 hundred percent survivor option and a joint and fifty percent
2 survivor option.

3 (c) A member may elect to include the benefit provided under RCW
4 41.40.640 along with the retirement options available under this
5 section. This retirement allowance option shall be calculated so as
6 to be actuarially equivalent to the options offered 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
10 as provided in (b) and (c) of this subsection. If a member is married
11 and both the member and the member's spouse do not give written
12 consent to an option under this section, the department shall pay a
13 joint and fifty percent survivor benefit calculated to be actuarially
14 equivalent to the benefit options available under subsection (1) of
15 this section unless spousal consent is not required as provided in
16 (b) and (c) of this subsection.

17 (b) Written consent from a spouse or domestic partner is not
18 required if a member who is married or a domestic partner selects a
19 joint and survivor option under subsection (1)(b) of this section and
20 names the member's spouse or domestic partner as the survivor
21 beneficiary.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 RCW 41.40.180(1) and the member's divorcing spouse be divided into
2 two separate benefits payable over the life of each spouse.

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

9 The nonmember ex spouse shall be eligible to commence receiving
10 their separate benefit upon reaching the age provided in RCW
11 41.40.180(1) and after filing a written application with the
12 department.

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

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

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

26 (c) The separate single life benefits of the member and the
27 nonmember ex spouse are not (i) subject to the minimum benefit
28 provisions of RCW 41.40.1984, or (ii) the minimum benefit annual
29 increase amount eligibility provisions of RCW 41.40.197 (2)(b) ((and
30 ~~(3)(a))~~)).

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

35 **Sec. 8.** RCW 41.40.660 and 2003 c 294 s 6 are each amended to
36 read as follows:

37 (1) Upon retirement for service as prescribed in RCW 41.40.630 or
38 retirement for disability under RCW 41.40.670, a member shall elect
39 to have the retirement allowance paid pursuant to one of the

1 following options, calculated so as to be actuarially equivalent to
2 each other.

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

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

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

35 (b) Written consent from a spouse or domestic partner is not
36 required if a member who is married or a domestic partner selects a
37 joint and survivor option under subsection (1)(b) of this section and
38 names the member's spouse or domestic partner as the survivor
39 beneficiary.

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

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

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

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

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

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

17 (b) The retirement allowance payable to the retiree, as of July
18 1, 1998, or the date of the designated beneficiary's death, whichever
19 comes last, shall be increased by the percentage derived in (c) of
20 this subsection.

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

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

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

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

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

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

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

1 (ii) A member who entered into a postretirement marriage prior to
2 the effective date of the rules adopted pursuant to this subsection
3 and satisfies the conditions of (a)(i) of this subsection shall have
4 one year to designate their spouse as a survivor beneficiary
5 following the adoption of the rules.

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

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

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

15 (a) A court-approved property settlement incident to a court
16 decree of dissolution made before retirement to provide that benefits
17 payable to a member who meets the length of service requirements of
18 RCW 41.40.720 and the member's divorcing spouse be divided into two
19 separate benefits payable over the life of each spouse.

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

26 The nonmember ex spouse shall be eligible to commence receiving
27 their separate benefit upon reaching the age provided in RCW
28 41.40.630(1) and after filing a written application with the
29 department.

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

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

39 Both the retired member and the nonmember divorced spouse shall
40 be eligible to commence receiving their separate benefits upon filing

1 a copy of the dissolution order with the department in accordance
2 with RCW 41.50.670.

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

7 **Sec. 9.** RCW 41.40.845 and 2003 c 294 s 9 are each amended to
8 read as follows:

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

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

17 (b) The department shall adopt rules that allow a member to
18 select a retirement option that pays the member a reduced retirement
19 allowance and upon death, such portion of the member's reduced
20 retirement allowance as the department by rule designates shall be
21 continued throughout the life of and paid to a person nominated by
22 the member by written designation duly executed and filed with the
23 department at the time of retirement. The options adopted by the
24 department shall include, but are not limited to, a joint and one
25 hundred percent survivor option and a joint and fifty percent
26 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
29 as provided in (b) and (c) of this subsection. If a member is married
30 and both the member and the member's spouse do not give written
31 consent to an option under this section, the department shall pay a
32 joint and fifty percent survivor benefit calculated to be actuarially
33 equivalent to the benefit options available under subsection (1) of
34 this section unless spousal consent is not required as provided in
35 (b) and (c) of this subsection.

36 (b) Written consent from a spouse or domestic partner is not
37 required if a member who is married or a domestic partner selects a
38 joint and survivor option under subsection (1)(b) of this section and

1 names the member's spouse or domestic partner as the survivor
2 beneficiary.

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

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

8 (ii) The spousal consent provisions of (a) of this subsection do
9 not apply.

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

13 (a)(i) A retired member who retired without designating a
14 survivor beneficiary shall have the opportunity to designate their
15 spouse from a postretirement marriage as a survivor during a one-year
16 period beginning one year after the date of the postretirement
17 marriage provided the retirement allowance payable to the retiree is
18 not subject to periodic payments pursuant to a property division
19 obligation as 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 under this section 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
24 the 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,
30 to ensure that the benefits provided under this subsection remain
31 actuarially equivalent.

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

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

39 The member shall have available the benefit options of subsection
40 (1) of this section upon retirement, and if remarried at the time of

1 retirement remains subject to the spousal consent requirements of
2 subsection (2) of this section. Any reductions of the member's
3 benefit subsequent to the division into two separate benefits shall
4 be made solely to the separate benefit of the member.

5 The nonmember ex spouse shall be eligible to commence receiving
6 their separate benefit upon reaching the age provided in RCW
7 41.40.820(1) and after filing a written application with the
8 department.

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

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

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

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

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

29 **Sec. 10.** RCW 43.43.271 and 2009 c 522 s 4 are each amended to
30 read as follows:

31 (1) A member commissioned on or after January 1, 2003, upon
32 retirement for service as prescribed in RCW 43.43.250 shall elect to
33 have the retirement allowance paid pursuant to the following options,
34 calculated so as to be actuarially equivalent to each other.

35 (a) Standard allowance. A member electing this option shall
36 receive a retirement allowance payable throughout the member's life.
37 However, if the retiree dies before the total of the retirement
38 allowance paid to the retiree equals the amount of the retiree's
39 accumulated contributions at the time of retirement, then the balance

1 shall be paid to the member's estate, or such person or persons,
2 trust, or organization as the retiree shall have nominated by written
3 designation duly executed and filed with the department; or if there
4 be no such designated person or persons still living at the time of
5 the retiree's death, then to the surviving spouse or domestic
6 partner; or if there be neither such designated person or persons
7 still living at the time of death nor a surviving spouse or domestic
8 partner, then to the retiree's legal representative.

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

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

31 (b) Written consent from a spouse or domestic partner is not
32 required if a member who is married or a domestic partner selects a
33 joint and survivor option under subsection (1)(b) of this section and
34 names the member's spouse or domestic partner as the survivor
35 beneficiary.

36 (c) 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:

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

1 (ii) The spouse or domestic partner consent provisions of (a) of
2 this subsection do not apply.

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

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

14 (ii) A member who entered into a postretirement marriage or
15 domestic partnership prior to the effective date of the rules adopted
16 pursuant to this subsection and satisfies the conditions of (a)(i) of
17 this subsection shall have one year to designate their spouse or
18 domestic partner as a survivor beneficiary following the adoption of
19 the rules.

20 (b) A retired member who elected to receive a reduced retirement
21 allowance under this section and designated a nonspouse or a
22 nondomestic partner as survivor beneficiary shall have the
23 opportunity to remove the survivor designation and have their future
24 benefit adjusted.

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

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

30 (a) A court-approved property settlement incident to a court
31 decree of dissolution made before retirement to provide that benefits
32 payable to a member who has completed at least five years of service
33 and the member's divorcing spouse or former domestic partner be
34 divided into two separate benefits payable over the life of each
35 spouse or domestic partner.

36 The member shall have available the benefit options of subsection
37 (1) of this section upon retirement, and if remarried or in a
38 domestic partnership at the time of retirement remains subject to the
39 spouse or domestic partner consent requirements of subsection (2) of
40 this section. Any reductions of the member's benefit subsequent to

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

3 The nonmember ex spouse or former domestic partner shall be
4 eligible to commence receiving their separate benefit upon reaching
5 the ages provided in RCW 43.43.250(2) and after filing a written
6 application with the 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 or domestic partner if the nonmember ex spouse or former
11 domestic partner 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 or
18 former domestic partner shall be eligible to commence receiving their
19 separate benefits upon filing a copy of the dissolution order with
20 the department in accordance with RCW 41.50.670.

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

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Passed by the Senate April 10, 2019.

Approved by the Governor April 23, 2019.

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