



December 19, 2018
Spousal Consent

FINAL PROPOSAL

By Jacob White

Senior Research & Policy Manager

360-586-2327

jacob.white@leoff.wa.gov

ISSUE STATEMENT

Under current law, a member who is retiring under LEOFF Plan 2 must provide written consent from their spouse for any survivorship option the member selects – except in the case of a joint 50% survivorship option. This means that a spouse must provide written consent even when their survivor benefit would be greater than 50%.

OVERVIEW

This report provides information on written spousal consent for the election of a survivor benefit, including the current policy, legislative history, policy considerations and data regarding who is impacted by the policy.

The Department of Retirement Systems (DRS) requested the LEOFF 2 Board consider endorsing legislative action to remove spousal consent requirements for certain survivorship selections (See Appendix A). DRS provided an initial presentation on their proposal to the LEOFF 2 Board at the June 20, 2018. The LEOFF 2 Board voted at the July 25, 2018 meeting to receive a Comprehensive Report on the issue.

BACKGROUND AND POLICY ISSUES

Survivor Benefits Overview

LEOFF 2 members may elect to take a reduction in their monthly benefit in order to leave an ongoing benefit to a survivor. The survivor will receive the ongoing benefit for their lifetime. This feature of LEOFF 2 is referred to as a survivor benefit option. The member must make this election when they apply for retirement. There are four options for a survivor benefit:

1. Single Life – This option pays the highest monthly amount of the four choices, but it is for the member's lifetime only. No one will receive an ongoing benefit after the retiree dies. If the retiree dies before the benefit they have received equals their contributions plus interest (as of the date of their retirement), the difference will be paid in a lump sum to the retiree's designated beneficiary.
2. Joint and 100% Survivor – The retiree's monthly benefit under this option is less than the Single Life Option. But after the retiree's death, the retiree's survivor will receive the same benefit the retiree was receiving for his or her lifetime.
3. Joint and 50% Survivor – This option applies a smaller reduction to the retiree's monthly benefit than Option 2. After the retiree's death, the retiree's survivor will receive half the benefit the retiree was receiving for his or her lifetime.

4. Joint and 66.67% Survivor – This option applies a smaller reduction to the retiree’s benefit than Option 2 and a larger reduction than Option 3. After the retiree’s death, the retiree’s survivor will receive 66.67% of the benefit the retiree was receiving for his or her lifetime.

Current Policy

Written spousal consent is required under current law for all survivor options except for Option 3, Joint and 50% Survivor. This includes not only Option 1, Single Life, which would leave the survivor no ongoing retirement benefit after the retiree’s death, but Option 2, Joint and 100% Survivor and Option 4, Joint and 66.67% Survivor, which would leave the survivor a larger ongoing benefit than Option 3. Written spousal consent includes having the signature notarized to ensure it meets the legal requirement of being a “written designation duly executed”.

Department of Retirement System Proposed Policy

DRS requested the LEOFF 2 Board consider requesting legislation that would only require written consent where a member selects a benefit less than the 50% option or names someone other than their spouse as their beneficiary. Any benefit that is a 50% joint-life option or higher would no longer require written consent from the member’s spouse. DRS has requested that the Select Committee on Pension Policy (SCPP) consider requesting similar legislation for the other state retirement systems.

Survivor Option	Current Law	DRS Proposal
Single Life	Written Consent	Written Consent
50%	No	No
66.67%	Written Consent	No
100%	Written Consent	No

Fiscal Impacts

DRS stated the one-time administrative costs associated with making this change in policy would be minimal. The Office of the State Actuary (OSA) stated there is no expected fiscal impact because of this change in policy.

Plan Costs

The OSA completed a draft fiscal note on this proposal for the SCPP. The fiscal note stated this proposal is not expected to impact the pension systems.

Members Impacted

29% of retirees, from all DRS covered plans, select a survivorship option greater than the 50% option, and would therefore no longer be required to get spousal consent for selecting a survivor option.

Survivor Option	Count	%
Single Life	6,487	60%
50%	1,207	11%
66.67%	711	6%
100%	2,531	23%

Under the current requirements of the spousal consent law, approximately 89% of retirees, must complete a spousal consent form. Under the proposed change in policy this would lower to 60% of retirees.

In the last year, 348 (51%) LEOFF 2 retirees completed their retirement application online. The percentage of online applications continues to rise each year; however, it has slowed to 1% growth in the last year. If the member is applying for retirement online they must complete the spousal consent form on paper and mail that form in separately from the rest of their retirement application. Removing the spousal consent requirement will allow more members to apply for retirement completely online.

Legislative History

RCW 41.26.460 was amended in 1990 to require DRS to adopt rules to allow LEOFF 2 Members to elect an actuarially equivalent survivor benefit. The 1990 law, SHB 2643, required the survivor be nominated by “written designation duly executed and filed with [DRS]” and if the member was married that the spouse “must provide written consent [...]to the option selected [...]”. If the member does not provide written consent the law defaults the retiree to a joint and 50% survivor benefit. The requirement for spousal consent has not been modified since it was originally enacted in 1990.

The legislative materials from SHB 2643 did not contain any discussion regarding why the requirement for written spousal consent was required or why a joint and 50% survivor benefit was set as the default benefit. However, the reasoning behind the default survivor benefit being a joint and 50% survivor benefit may be due to Washington State being a community property state. In a community property state, the spouses are deemed to equally own all income and assets earned or acquired during the marriage. Typically, the division of community property results in each spouse receiving 50% of assets. Therefore, it is possible that the legislature sought to align the default survivor benefit with existing community property laws.

It is also possible that the current policy was driven by an attempt to align the State’s pension plans with federal requirements of Employee Retirement Income Security Act (ERISA). Public pension plans are not subject to ERISA; however, many public pension plans choose to adhere to many of the requirements of ERISA as best practices. ERISA requires spousal consent for Joint and Survivor Annuity elections.

As of 2013, the majority of state public pension plans required spousal consent or at least spousal notification if a retiree selects a single life annuity.¹ However, nineteen states do not require spousal consent or notification for a married member selecting a single-life annuity.²

Policy Considerations

DRS believes this change would simplify the process for many members when applying for retirement, by allowing a greater number of members to retire completely online by forgoing the added steps of getting the spousal consent notarized. In addition to the customer service benefit, this policy change also makes logical sense if the policy concern driving spousal consent is to protect the financial interest

¹ <http://www.pensionrights.org/publications/fact-sheet/state-plans-and-survivor-rights-information>

² <http://www.pensionrights.org/publications/fact-sheet/state-retirement-system-rules-%E2%80%9Cspousal-consent%E2%80%9D>

of the spouse. Since current law does not require spousal consent for leaving a 50% survivor benefit, it is logical to not require spousal consent for a retiree who chooses to leave his spouse a larger benefit.

Not requiring written spousal consent may lessen spousal participation in the retirement process. This may occur because members would not necessarily need to consult spouses for most of the survivorship benefit options. As a result, some beneficiaries may feel this change removes their role in the decision-making process.

POLICY OPTIONS

Option 1: Endorse DRS Proposal

No longer require written spousal consent for survivor options which leave the surviving spouse a benefit greater than 50%.

Option 2: No Change in Policy

Continue to require written spousal consent for all survivor options, except for 50%.

SUPPORTING INFORMATION

Appendix A: May 17, 2018 DRS Letter to LEOFF 2 Board

Appendix B: June 20, 2018 DRS Presentation to LEOFF 2 Board, “Written Spousal Consent Overview”

Appendix C: OSA Draft Fiscal Note

Appendix D: Bill Draft



STATE OF WASHINGTON

DEPARTMENT OF RETIREMENT SYSTEMS

P.O. Box 48380 • Olympia, WA 98504-8380 • (360) 664-7000 • Toll Free 1-800-547-6657

May 17, 2018

Dennis Lawson, Chair
Law Enforcement Officers' and Fire Fighters'
Plan 2 Retirement Board
PO Box 40918
Olympia, WA 98504

Dear Chair Lawson and Members of the LEOFF Plan 2 Retirement Board:

The Department of Retirement Systems respectfully requests that the LEOFF Plan 2 Retirement Board study and consider endorsing legislative action on the following issues this interim:

1. Remove Spousal Consent Requirements for Certain Survivorship Selections

Under current law, a member who is retiring must provide written consent from his or her spouse for any retirement survivorship option he or she selects – except in the case of a joint 50% survivorship option. This means that even when a member is providing a 100% or 66.67% survivorship option, the spouse must provide written consent, even though these options are greater than the default option of joint 50%. (The default option is in place because of Washington state's community property laws.) DRS would like the LEOFF Board to consider endorsing the Department's suggestion that written spousal consent be required only when the member chooses to have no survivor benefit go to the spouse.

2. Eliminate Pro Ration of Month of Death Benefit Payment

When a retiree or survivor passes away, the last monthly benefit payment must be pro-rated based on the number of days the person was alive in the month. For example, an individual who passes away on the 10th of the month will have accrued 1/3 of his or her monthly payment. In most cases, however, DRS isn't aware of a death until after the full monthly payment has been processed. In these instances, DRS bills the family or the estate to recover the pro-rated overpayment. This comes at a time when survivors are already navigating through paperwork and other difficult issues related to the member's death. Additionally, pro-rating the last payment can cause hardships for health insurance payments. DRS requests that the LEOFF Board consider endorsing the Department's suggestion that the pro ration of month of death benefit payments be discontinued.



Dennis Lawson

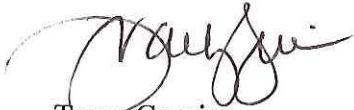
May 17, 2018

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Please let us know how we can assist the board in reviewing these issues. We are available to answer questions and provide additional background and data as needed.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tracy Guerin', with a stylized, cursive script.

Tracy Guerin

Director

cc: Steve Nelsen, Executive Director

Written Spousal Consent Overview

LEOFF 2 Board
June 20, 2018

Seth Miller
Department of Retirement Systems



Introduction

- Under current law, written spousal consent is required for the selection of all but one of the survivorship options available to retirees.
- Written consent complicates the retirement application process, especially online.
- DRS suggests that written spousal consent be required only when the member chooses to have no survivor benefit go to the spouse.

Survivorship Options

- In most DRS plans, members select one of four survivorship options at the time of retirement.
 1. Single Life (no survivorship)
 2. 100% Survivorship
 3. 50% Survivorship
 4. 67% Survivorship
- Selection of a survivorship benefit means the retiree's lifetime monthly benefit will be actuarially reduced.

Survivorship Options

Example: LEOFF 2 retiree, pension benefit of \$5000, spouse of the same age as the retiree

Option	Retiree Benefit	Survivor Benefit	Current Law	Proposed Law
Single Life	\$5000	\$0	Written Consent	Written Consent
100%	\$4355	\$4355	Written Consent	No
50%	\$4655	\$2328	No	No
67%	\$4550	\$3033	Written Consent	No

Current Law

- If a member is married, the spouse must provide written consent to the selected survivorship option unless a 50% option is chosen (or a dissolution order is provided).
- This means a spouse must provide written consent even when he or she would be receiving a two-thirds or full survivor benefit.

Proposed change

Only require spousal consent in cases where a married member is providing a benefit less than 50% to the spouse.

Benefits of change

- The change would simplify the process for many members when applying for retirement.
 - Currently more than 50% of members complete their retirement application online.
 - More than 25% of retirees select a survivorship option greater than the 50% option.
- One-time administrative costs associated with streamlining consent requirements would be minimal.

Questions?



Actuary's Draft Fiscal Note For DRS Proposal: Spousal Consent**SUMMARY OF RESULTS**

BRIEF SUMMARY OF PROPOSAL: Written consent for a survivorship benefit would only be required when a member selects the Single Life Option, or names someone other than their spouse or domestic partner as the survivor beneficiary.

HIGHLIGHTS OF ACTUARIAL ANALYSIS

Under this proposal, there is no expected fiscal impact to the retirement systems because behavior is not expected to change. In other words, we do not anticipate members will select different Survivor Benefit Options as a result of this proposal.

If behavior were to change, a fiscal impact would still not be expected because the survivorship payment forms use administrative factors that are intended to be actuarially equivalent. Regardless of the benefit payment form chosen, whether paid over a member's lifetime, or over the member's lifetime and a survivor beneficiary's lifetime, the actuarial liability at retirement is expected to be the same.

As a result, there is no expected impact to the pension systems.

See the remainder of this draft fiscal note for additional details on the summary and highlights presented here.

WHAT IS THE PROPOSED CHANGE?

Summary Of Change

This proposal impacts the following systems:

- ❖ Public Employees' Retirement System (PERS).
- ❖ Teachers' Retirement System (TRS).
- ❖ School Employees' Retirement System (SERS).
- ❖ Public Safety Employees' Retirement System (PSERS).
- ❖ Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2.
- ❖ Washington State Patrol Retirement System (WSPRS) Plan 2.

For survivorship benefits, written consent from a spouse or domestic partner would only be required where a member selects a benefit less than the Joint and 50 Percent Survivor Option (i.e., the Single Life Option) or names someone other than their spouse or domestic partner as their survivor beneficiary. Any benefit that is a Joint and 50 Percent Option or higher would no longer require written consent from the member's spouse or domestic partner.

LEOFF and WSPRS Plans 1 have a free Joint and 100 Percent Option, so this proposal has no applicability to those plans.

Effective Date: 90 days after session.

What Is The Current Situation?

Under current law, members of most plans administered by the Department of Retirement Systems (DRS) have the option of selecting a survivorship benefit as part of their pension benefit upon retirement. Please see the **Appendix** for a list of the statutes that contain the written consent requirement.

Currently, members have four survivorship benefit options to choose from:

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

Of the options listed above, written consent for the Joint and 50 Percent Survivor Option is not required. All other options under current law require written consent from the member's spouse or domestic partner. In addition, DRS currently requires members to notarize the written consent.

WHAT THE READER SHOULD KNOW

The Office of the State Actuary ("we") prepared this draft fiscal note based on our understanding of the proposal as of the date shown in the footer. We intend this draft fiscal note to be used by the Select Committee on Pension Policy during the 2018 Interim only.

We advise readers of this draft fiscal note to seek professional guidance as to its content and interpretation, and not to rely upon this communication without such guidance. Please read the analysis shown in this draft fiscal note as a whole. Distribution of, or reliance on, only parts of this draft fiscal note could result in its misuse, and may mislead others.

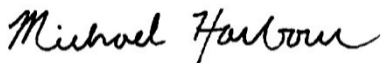
ACTUARY'S CERTIFICATION

The undersigned hereby certifies that:

1. We prepared this draft fiscal note for the Select Committee on Pension Policy during the 2018 Interim.
2. We prepared this draft fiscal note and provided opinions in accordance with Washington State law and accepted Actuarial Standards of Practice as of the date shown in the footer.

The undersigned, with actuarial credentials, meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

While this draft fiscal note is meant to be complete, the undersigned is available to provide extra advice and explanations as needed.



Michael T. Harbour, ASA, MAAA
Actuary

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APPENDIX

The written consent requirement is contained in the following statutes:

- ❖ PERS 1: [41.40.188 \(2\)\(a\)](#)
- ❖ PERS 2: [41.40.660 \(2\)\(a\)](#)
- ❖ PERS 3: [41.40.845 \(2\)\(a\)](#)
- ❖ TRS 1: [41.32.530 \(2\)\(a\)](#)
- ❖ TRS 2: [41.32.785 \(2\)\(a\)](#)
- ❖ TRS 3: [41.32.851 \(2\)\(a\)](#)
- ❖ SERS 2/3: [41.35.220 \(2\)\(a\)](#)
- ❖ PSERS 2: [41.37.170 \(2\)\(a\)](#)
- ❖ LEOFF 2: [41.26.460 \(2\)\(a\)](#)
- ❖ WSPRS 2: [43.43.271 \(2\)\(a\)](#)

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0104.1/19

ATTY/TYPIST: KB:akl

BRIEF DESCRIPTION: Clarifying the written consent requirement for survivorship benefit options.

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

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

(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 will pay the member a joint and fifty percent survivor benefit and record the member's spouse as the beneficiary. Such benefit shall be 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:

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

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

(3)(a) Any member who retired before January 1, 1996, and who elected to receive a reduced retirement allowance under subsection (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:

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

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

(3)(a) Any member who retired before January 1, 1996, and who elected to receive a reduced retirement allowance under subsection (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 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.

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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Spousal Consent

Final Report
December 19, 2018

Issue

- Under current law, a member who is retiring under LEOFF Plan 2 must provide written consent from their spouse for any survivorship option the member selects – except in the case of a joint 50% survivorship option.
- This means that a spouse must provide written consent even when their survivor benefit would be greater than 50%.

Survivor Benefits

- LEOFF 2 members may elect to take a reduction in their monthly benefit in order to leave an ongoing benefit to a survivor. The survivor will receive the ongoing benefit for their lifetime.
- There are 4 survivor options:
 1. Single Life - No one will receive an ongoing benefit after the retiree dies
 2. Joint and 100% Survivor - The survivor receives the same benefit the retiree was receiving
 3. Joint and 50% Survivor – The survivor receives half the benefit the retiree was receiving
 4. Joint and 66.67% Survivor - The survivor receives $\frac{2}{3}$ of the benefit the retiree was receiving

Current Policy

- Written spousal consent is required under current law for all survivor options except for Option 3, Joint and 50% Survivor
- If no spousal consent is obtained the benefit defaults to Option 3
- Written spousal consent includes having the signature notarized to ensure it meets the legal requirement of being a “written designation duly executed”

DRS Proposal

- Only require written consent where a member selects a benefit less than the 50 Percent Option or names someone other than their spouse as their beneficiary.

Survivor Option	Current Law	DRS Proposal
Single Life	Written Consent	Written Consent
50%	No	No
66.67%	Written Consent	No
100%	Written Consent	No

Policy Considerations

- **Potential Improvements**
 - Better Customer Experience
 - Logical Sense
- **Potential Concerns**
 - Lessen Spousal Participation

Plan Costs

- The Office of the State Actuary draft fiscal note stated this proposal is not expected to impact the pension systems.

SCPP Status

- The SCPP moved to endorse this bill in their September meeting.

Policy Options

- **Option 1: Endorse DRS Proposal - No longer require written spousal consent for survivor options which leave the surviving spouse a benefit greater than 50%.**
- **Option 2: No Change in Policy.**



Thank You

Jacob White

Senior Research & Policy Manager

(360) 586-2327

jacob.white@leoff.wa.gov