
SENATE BILL 5163

State of Washington

62nd Legislature

2011 Regular Session

By Senators Hobbs, Schoesler, Conway, Rockefeller, Murray, Kohl-Welles, Roach, and Kilmer; by request of Select Committee on Pension Policy

Read first time 01/17/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing a partial lump sum benefit payment
2 option for certain survivors of active members of the teachers'
3 retirement system plan 1; and amending RCW 41.32.520.

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

5 **Sec. 1.** RCW 41.32.520 and 2009 c 226 s 5 are each amended to read
6 as follows:

7 (1) Except as specified in subsection (3) of this section, upon
8 receipt of proper proofs of death of any member before retirement or
9 before the first installment of his or her retirement allowance shall
10 become due his or her accumulated contributions, less any amount
11 identified as owing to an obligee upon withdrawal of accumulated
12 contributions pursuant to a court order filed under RCW 41.50.670,
13 and/or other benefits payable upon his or her death shall be paid to
14 his or her estate or to such persons, trust, or organization as he or
15 she shall have nominated by written designation duly executed and filed
16 with the department. If a member fails to file a new beneficiary
17 designation subsequent to marriage, divorce, or reestablishment of
18 membership following termination by withdrawal, lapsation, or
19 retirement, payment of his or her accumulated contributions, less any

1 amount identified as owing to an obligee upon withdrawal of accumulated
2 contributions pursuant to a court order filed under RCW 41.50.670,
3 and/or other benefits upon death before retirement shall be made to the
4 surviving spouse, if any; otherwise, to his or her estate. If a member
5 had established ten or more years of Washington membership service
6 credit or was eligible for retirement, the beneficiary or the surviving
7 spouse if otherwise eligible may elect, in lieu of a cash refund of the
8 member's accumulated contributions, the following survivor benefit plan
9 actuarially reduced, except under subsection (4) of this section, by
10 the amount of any lump sum benefit identified as owing to an obligee
11 upon withdrawal of accumulated contributions pursuant to a court order
12 filed under RCW 41.50.670:

13 (a) A widow or widower, without a child or children under eighteen
14 years of age, may elect a monthly payment of fifty dollars to become
15 effective at age fifty, provided the member had fifteen or more years
16 of Washington membership service credit. A benefit paid under this
17 subsection (1)(a) shall terminate at the marriage of the beneficiary.

18 (b) The beneficiary, if a surviving spouse or a dependent (as that
19 term is used in computing the dependent exemption for federal internal
20 revenue purposes) may elect to receive a joint and one hundred percent
21 retirement allowance under RCW 41.32.530.

22 (i) In the case of a dependent child the allowance shall continue
23 until attainment of majority or so long as the department judges that
24 the circumstances which created his or her dependent status continue to
25 exist. In any case, if at the time dependent status ceases, an amount
26 equal to the amount of accumulated contributions of the deceased member
27 has not been paid to the beneficiary, the remainder shall then be paid
28 in a lump sum to the beneficiary.

29 (ii) If at the time of death, the member was not then qualified for
30 a service retirement allowance, the benefit shall be based upon the
31 actuarial equivalent of the sum necessary to pay the accrued regular
32 retirement allowance commencing when the deceased member would have
33 first qualified for a service retirement allowance.

34 (c) A beneficiary who qualifies for survivor benefits under (b) of
35 this subsection and who is the beneficiary of a member who was eligible
36 for retirement may choose the following survivor benefit plan in lieu
37 of the allowance provided in (b) of this subsection. The qualified
38 beneficiary may irrevocably elect to withdraw all or a part of the

1 member's accumulated contributions, other than any amount paid under
2 RCW 41.50.165(2), and receive a reduction in the allowance provided
3 under (b) of this subsection of the actuarially determined amount of
4 monthly annuity that would have been purchased by the contributions.

5 (2) If no qualified beneficiary survives a member, at his or her
6 death his or her accumulated contributions, less any amount identified
7 as owing to an obligee upon withdrawal of accumulated contributions
8 pursuant to a court order filed under RCW 41.50.670, shall be paid to
9 his or her estate, or his or her dependents may qualify for survivor
10 benefits under benefit plan (1)(b) or (1)(c) in lieu of a cash refund
11 of the members accumulated contributions in the following order: Widow
12 or widower, guardian of a dependent child or children under age
13 eighteen, or dependent parent or parents.

14 (3) If a member dies within sixty days following application for
15 disability retirement under RCW 41.32.550, the beneficiary named in the
16 application may elect to receive the benefit provided by:

- 17 (a) This section; or
- 18 (b) RCW 41.32.550, according to the option chosen under RCW
19 41.32.530 in the disability application.

20 (4) The retirement allowance of a member who is killed in the
21 course of employment, as determined by the director of the department
22 of labor and industries, or the retirement allowance of a member who
23 has left the employ of an employer due to service in the national guard
24 or military reserves and dies while honorably serving in the national
25 guard or military reserves during a period of war as defined in RCW
26 41.04.005, is not subject to an actuarial reduction. The member's
27 retirement allowance is computed under RCW 41.32.480.

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