
SENATE BILL 6622

State of Washington

64th Legislature

2016 Regular Session

By Senators Fraser, Parlette, Nelson, Cleveland, Keiser, Hasegawa, Jayapal, and McCoy

Read first time 01/29/16. Referred to Committee on Ways & Means.

1 AN ACT Relating to prohibiting the assignment of retirement
2 benefits; amending RCW 41.26.053, 41.32.052, 41.35.100, 41.37.090,
3 41.40.052, and 43.43.310; and prescribing penalties.

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

5 **Sec. 1.** RCW 41.26.053 and 2012 c 159 s 21 are each amended to
6 read as follows:

7 (1) Subject to subsections (~~((+2))~~) (3) and (~~((+3))~~) (4) of this
8 section, the right of a person to a retirement allowance, disability
9 allowance, or death benefit, to the return of accumulated
10 contributions, the retirement, disability or death allowance itself,
11 any optional benefit, any other right accrued or accruing to any
12 person under the provisions of this chapter, and the moneys in the
13 fund created under this chapter, are hereby exempt from any state,
14 county, municipal, or other local tax and shall not be subject to
15 execution, garnishment, attachment, the operation of bankruptcy or
16 insolvency laws, or any other process of law whatsoever, whether the
17 same be in actual possession of the person or be deposited or loaned
18 and shall be unassignable.

19 (2) A pension assignee shall not use any device, scheme,
20 transfer, or other artifice to evade the applicability and
21 prohibition of this section, including the deposit of such plan

1 benefits into a joint account with a pension assignee or the
2 authorization to a pension assignee under a power of attorney or
3 other instrument or document to access an account or otherwise obtain
4 funds from an account to which plan benefits have been deposited. Any
5 pension assignee found to be in violation of this prohibition shall
6 be liable for full repayment of the assigned pension payments to the
7 rightful beneficiary.

8 (3) On the written request of any person eligible to receive
9 benefits under this section, the department may deduct from such
10 payments the premiums for life, health, or other insurance. The
11 request on behalf of any child or children shall be made by the legal
12 guardian of such child or children. The department may provide for
13 such persons one or more plans of group insurance, through contracts
14 with regularly constituted insurance carriers or health care service
15 contractors.

16 ((+3)) (4) Subsection (1) of this section shall not prohibit the
17 department from complying with (a) a wage assignment order for child
18 support issued pursuant to chapter 26.18 RCW, (b) an order to
19 withhold and deliver issued pursuant to chapter 74.20A RCW, (c) a
20 notice of payroll deduction issued pursuant to RCW 26.23.060, (d) a
21 mandatory benefits assignment order issued by the department, (e) a
22 court order directing the department of retirement systems to pay
23 benefits directly to an obligee under a dissolution order as defined
24 in RCW 41.50.500(3) which fully complies with RCW 41.50.670 and
25 41.50.700, or (f) any administrative or court order expressly
26 authorized by federal law.

27 **Sec. 2.** RCW 41.32.052 and 2012 c 159 s 20 are each amended to
28 read as follows:

29 (1) Subject to subsections ((+2)) (3) and ((+3)) (4) of this
30 section, the right of a person to a pension, an annuity, a retirement
31 allowance, or disability allowance, to the return of contributions,
32 any optional benefit or death benefit, any other right accrued or
33 accruing to any person under the provisions of this chapter and the
34 moneys in the various funds created by this chapter shall be
35 unassignable, and are hereby exempt from any state, county, municipal
36 or other local tax, and shall not be subject to execution,
37 garnishment, attachment, the operation of bankruptcy or insolvency
38 laws, or other process of law whatsoever whether the same be in
39 actual possession of the person or be deposited or loaned.

1 (2) A pension assignee shall not use any device, scheme,
2 transfer, or other artifice to evade the applicability and
3 prohibition of this section, including the deposit of such plan
4 benefits into a joint account with a pension assignee or the
5 authorization to a pension assignee under a power of attorney or
6 other instrument or document to access an account or otherwise obtain
7 funds from an account to which plan benefits have been deposited. Any
8 pension assignee found to be in violation of this prohibition shall
9 be liable for full repayment of the assigned pension payments to the
10 rightful beneficiary.

11 (3) This section shall not be deemed to prohibit a beneficiary of
12 a retirement allowance who is eligible:

13 (a) Under RCW 41.05.080 from authorizing monthly deductions
14 therefrom for payment of premiums due on any group insurance policy
15 or plan issued for the benefit of a group comprised of public
16 employees of the state of Washington or its political subdivisions;

17 (b) Under a group health care benefit plan approved pursuant to
18 RCW 28A.400.350 or 41.05.065 from authorizing monthly deductions
19 therefrom, of the amount or amounts of subscription payments,
20 premiums, or contributions to any person, firm, or corporation
21 furnishing or providing medical, surgical, and hospital care or other
22 health care insurance; or

23 (c) Under this system from authorizing monthly deductions
24 therefrom for payment of dues and other membership fees to any
25 retirement association composed of retired teachers and/or public
26 employees pursuant to a written agreement between the director and
27 the retirement association.

28 Deductions under (a) and (b) of this subsection shall be made in
29 accordance with rules that may be adopted by the director.

30 ~~((3))~~ (4) Subsection (1) of this section shall not prohibit the
31 department from complying with (a) a wage assignment order for child
32 support issued pursuant to chapter 26.18 RCW, (b) an order to
33 withhold and deliver issued pursuant to chapter 74.20A RCW, (c) a
34 notice of payroll deduction issued pursuant to RCW 26.23.060, (d) a
35 mandatory benefits assignment order issued by the department, (e) a
36 court order directing the department of retirement systems to pay
37 benefits directly to an obligee under a dissolution order as defined
38 in RCW 41.50.500(3) which fully complies with RCW 41.50.670 and
39 41.50.700, or (f) any administrative or court order expressly
40 authorized by federal law.

1 **Sec. 3.** RCW 41.35.100 and 2012 c 159 s 24 are each amended to
2 read as follows:

3 (1) Subject to subsections (~~((2))~~) (3) and (~~((3))~~) (4) of this
4 section, the right of a person to a pension, an annuity, or
5 retirement allowance, any optional benefit, any other right accrued
6 or accruing to any person under the provisions of this chapter, the
7 various funds created by this chapter, and all moneys and investments
8 and income thereof, are hereby exempt from any state, county,
9 municipal, or other local tax, and shall not be subject to execution,
10 garnishment, attachment, the operation of bankruptcy or insolvency
11 laws, or other process of law whatsoever, whether the same be in
12 actual possession of the person or be deposited or loaned and shall
13 be unassignable.

14 (2) A pension assignee shall not use any device, scheme,
15 transfer, or other artifice to evade the applicability and
16 prohibition of this section, including the deposit of such plan
17 benefits into a joint account with a pension assignee or the
18 authorization to a pension assignee under a power of attorney or
19 other instrument or document to access an account or otherwise obtain
20 funds from an account to which plan benefits have been deposited. Any
21 pension assignee found to be in violation of this prohibition shall
22 be liable for full repayment of the assigned pension payments to the
23 rightful beneficiary.

24 (3) This section does not prohibit a beneficiary of a retirement
25 allowance from authorizing deductions therefrom for payment of
26 premiums due on any group insurance policy or plan issued for the
27 benefit of a group comprised of public employees of the state of
28 Washington or its political subdivisions and which has been approved
29 for deduction in accordance with rules that may be adopted by the
30 state health care authority and/or the department. This section also
31 does not prohibit a beneficiary of a retirement allowance from
32 authorizing deductions therefrom for payment of dues and other
33 membership fees to any retirement association or organization the
34 membership of which is composed of retired public employees, if a
35 total of three hundred or more of such retired employees have
36 authorized such deduction for payment to the same retirement
37 association or organization.

38 (~~((3))~~) (4) Subsection (1) of this section does not prohibit the
39 department from complying with (a) a wage assignment order for child
40 support issued pursuant to chapter 26.18 RCW, (b) an order to

1 withhold and deliver issued pursuant to chapter 74.20A RCW, (c) a
2 notice of payroll deduction issued pursuant to RCW 26.23.060, (d) a
3 mandatory benefits assignment order issued by the department, (e) a
4 court order directing the department of retirement systems to pay
5 benefits directly to an obligee under a dissolution order as defined
6 in RCW 41.50.500(3) which fully complies with RCW 41.50.670 and
7 41.50.700, or (f) any administrative or court order expressly
8 authorized by federal law.

9 **Sec. 4.** RCW 41.37.090 and 2012 c 159 s 25 are each amended to
10 read as follows:

11 (1) Subject to subsections (~~((2))~~) (3) and (~~((3))~~) (4) of this
12 section, the right of a person to a pension, an annuity, or
13 retirement allowance, any optional benefit, any other right accrued
14 or accruing to any person under this chapter, the various funds
15 created by this chapter, and all moneys and investments and income
16 thereof, are hereby exempt from any state, county, municipal, or
17 other local tax, and shall not be subject to execution, garnishment,
18 attachment, the operation of bankruptcy or insolvency laws, or other
19 process of law whatsoever, whether the same be in actual possession
20 of the person or be deposited or loaned and shall be unassignable.

21 (2) A pension assignee shall not use any device, scheme,
22 transfer, or other artifice to evade the applicability and
23 prohibition of this section, including the deposit of such plan
24 benefits into a joint account with a pension assignee or the
25 authorization to a pension assignee under a power of attorney or
26 other instrument or document to access an account or otherwise obtain
27 funds from an account to which plan benefits have been deposited. Any
28 pension assignee found to be in violation of this prohibition shall
29 be liable for full repayment of the assigned pension payments to the
30 rightful beneficiary.

31 (3) This section does not prohibit a beneficiary of a retirement
32 allowance from authorizing deductions therefrom for payment of
33 premiums due on any group insurance policy or plan issued for the
34 benefit of a group comprised of public employees of the state of
35 Washington or its political subdivisions and which has been approved
36 for deduction in accordance with rules that may be adopted by the
37 state health care authority and/or the department. This section also
38 does not prohibit a beneficiary of a retirement allowance from
39 authorizing deductions therefrom for payment of dues and other

1 membership fees to any retirement association or organization the
2 membership of which is composed of retired public employees, if a
3 total of three hundred or more retired employees have authorized the
4 deduction for payment to the same retirement association or
5 organization.

6 ~~((3))~~ (4) Subsection (1) of this section does not prohibit the
7 department from complying with (a) a wage assignment order for child
8 support issued pursuant to chapter 26.18 RCW, (b) an order to
9 withhold and deliver issued pursuant to chapter 74.20A RCW, (c) a
10 notice of payroll deduction issued pursuant to RCW 26.23.060, (d) a
11 mandatory benefits assignment order issued by the department, (e) a
12 court order directing the department to pay benefits directly to an
13 obligee under a dissolution order as defined in RCW 41.50.500(3)
14 which fully complies with RCW 41.50.670 and 41.50.700, or (f) any
15 administrative or court order expressly authorized by federal law.

16 **Sec. 5.** RCW 41.40.052 and 2012 c 159 s 26 are each amended to
17 read as follows:

18 (1) Subject to subsections ~~((2))~~ (3) and ~~((3))~~ (4) of this
19 section, the right of a person to a pension, an annuity, or
20 retirement allowance, any optional benefit, any other right accrued
21 or accruing to any person under the provisions of this chapter, the
22 various funds created by this chapter, and all moneys and investments
23 and income thereof, are hereby exempt from any state, county,
24 municipal, or other local tax, and shall not be subject to execution,
25 garnishment, attachment, the operation of bankruptcy or insolvency
26 laws, or other process of law whatsoever, whether the same be in
27 actual possession of the person or be deposited or loaned and shall
28 be unassignable.

29 (2) A pension assignee shall not use any device, scheme,
30 transfer, or other artifice to evade the applicability and
31 prohibition of this section, including the deposit of such plan
32 benefits into a joint account with a pension assignee or the
33 authorization to a pension assignee under a power of attorney or
34 other instrument or document to access an account or otherwise obtain
35 funds from an account to which plan benefits have been deposited. Any
36 pension assignee found to be in violation of this prohibition shall
37 be liable for full repayment of the assigned pension payments to the
38 rightful beneficiary.

1 (3)(a) This section shall not be deemed to prohibit a beneficiary
2 of a retirement allowance from authorizing deductions therefrom for
3 payment of premiums due on any group insurance policy or plan issued
4 for the benefit of a group comprised of public employees of the state
5 of Washington or its political subdivisions and which has been
6 approved for deduction in accordance with rules that may be adopted
7 by the state health care authority and/or the department, and this
8 section shall not be deemed to prohibit a beneficiary of a retirement
9 allowance from authorizing deductions therefrom for payment of dues
10 and other membership fees to any retirement association or
11 organization the membership of which is composed of retired public
12 employees, if a total of three hundred or more of such retired
13 employees have authorized such deduction for payment to the same
14 retirement association or organization.

15 (b) This section does not prohibit a beneficiary of a retirement
16 allowance from authorizing deductions from that allowance for
17 charitable purposes on the same terms as employees and public
18 officers under RCW 41.04.035 and 41.04.036.

19 (~~(+3)~~) (4) Subsection (1) of this section shall not prohibit the
20 department from complying with (a) a wage assignment order for child
21 support issued pursuant to chapter 26.18 RCW, (b) an order to
22 withhold and deliver issued pursuant to chapter 74.20A RCW, (c) a
23 notice of payroll deduction issued pursuant to RCW 26.23.060, (d) a
24 mandatory benefits assignment order issued by the department, (e) a
25 court order directing the department of retirement systems to pay
26 benefits directly to an obligee under a dissolution order as defined
27 in RCW 41.50.500(3) which fully complies with RCW 41.50.670 and
28 41.50.700, or (f) any administrative or court order expressly
29 authorized by federal law.

30 **Sec. 6.** RCW 43.43.310 and 2012 c 159 s 28 are each amended to
31 read as follows:

32 (1) Except as provided in subsections (~~(+2)~~) (3) and (~~(+3)~~) (4)
33 of this section, the right of any person to a retirement allowance or
34 optional retirement allowance under the provisions hereof and all
35 moneys and investments and income thereof are exempt from any state,
36 county, municipal, or other local tax and shall not be subject to
37 execution, garnishment, attachment, the operation of bankruptcy or
38 the insolvency laws, or other processes of law whatsoever, whether
39 the same be in actual possession of the person or be deposited or

1 loaned and shall be unassignable except as herein specifically
2 provided.

3 (2) A pension assignee shall not use any device, scheme,
4 transfer, or other artifice to evade the applicability and
5 prohibition of this section, including the deposit of such plan
6 benefits into a joint account with a pension assignee or the
7 authorization to a pension assignee under a power of attorney or
8 other instrument or document to access an account or otherwise obtain
9 funds from an account to which plan benefits have been deposited. Any
10 pension assignee found to be in violation of this prohibition shall
11 be liable for full repayment of the assigned pension payments to the
12 rightful beneficiary.

13 (3) Subsection (1) of this section shall not prohibit the
14 department of retirement systems from complying with (a) a wage
15 assignment order for child support issued pursuant to chapter 26.18
16 RCW, (b) an order to withhold and deliver issued pursuant to chapter
17 74.20A RCW, (c) a notice of payroll deduction issued pursuant to RCW
18 26.23.060, (d) a mandatory benefits assignment order issued pursuant
19 to chapter 41.50 RCW, (e) a court order directing the department of
20 retirement systems to pay benefits directly to an obligee under a
21 dissolution order as defined in RCW 41.50.500(3) which fully complies
22 with RCW 41.50.670 and 41.50.700, or (f) any administrative or court
23 order expressly authorized by federal law.

24 ~~((3))~~ (4) Subsection (1) of this section shall not be deemed to
25 prohibit a beneficiary of a retirement allowance from authorizing
26 deductions therefrom for payment of premiums due on any group
27 insurance policy or plan issued for the benefit of a group comprised
28 of members of the Washington state patrol or other public employees
29 of the state of Washington, or for contributions to the Washington
30 state patrol memorial foundation.

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