

Wallis, Keri

From: CoachKA [coachka@comcast.net]
Sent: Tuesday, February 01, 2011 8:29 PM
To: Office State Actuary, WA
Subject: Fw: Constituent: State retirement account
Attachments: image001.png; image002.png

To whom it may concern:

I have been in discussions with the Department of Retirement Systems, the Attorney General's Office and with Senator Karen Fraser who represents my district. Senator Fraser suggested I contact the Select Committee on Pension Policy (see previous entry in this message thread) regarding a request I have made to the Department of Retirement Systems. The message I sent to Senator Fraser prior to her last response (see below) explains my request in detail so I won't repeat it here. I would like to know what I need to do in order to bring my request to this committee.

Sincerely,
Kent Andrus

From: [Fraser, Sen. Karen](#)
Sent: Tuesday, February 01, 2011 4:35 PM
To: 'CoachKA'
Subject: RE: Constituent: State retirement account

Dear Mr. Andrus:

Thank you for your second email and additional information.

Staff researched your request and consulted with the Department of Retirement Systems (DRS).

To begin, here is an explanation of why you cannot replace the funds from your retirement account which were claimed by your former wife. You are correct that under certain circumstances when retirement funds are withdrawn, DRS will allow those funds to be replaced. However, in the case of a retirement account that is divided in the course of a divorce, the funds cannot be replaced under the law because the account has actually been divided into separate accounts rather than merely depleted by withdrawals.

DRS also advised that the law, rather than a WAC, prohibits the agency from allowing replacement of funds lost in the course of a divorce. It is most disagreeable that a DRS employee gave you the response you reported.

Successful changes in pension laws are generally studied and then proposed by the Select Committee on Pension Policy. The SCPP may be interested in hearing your well-stated concerns and studying the matter during the interim.

Sincerely,


Karen Fraser
State Senator, 22nd District
360-786-7642 Office
360-786-1323 Fax
To subscribe to Senator Fraser's E-Newsletter [click here](#).



From: CoachKA [mailto:coachka@comcast.net]
Sent: Saturday, January 15, 2011 7:13 PM
To: Fraser, Sen. Karen
Subject: Re: Constituent: State retirement account

Senator Karen Fraser:

Thank you for taking the time to respond. As I stated in the original message, I am recently divorced (December 2010). I attempted to split our assets in a way that would avoid splitting my retirement account, but my wife was not willing to do so. Since she has the legal right to half of everything, I had to pursue splitting my retirement account. Although the final paperwork hasn't made it to the Department of Retirement Systems, I started corresponding with them three months ago in anticipation of the property division dissolution order. There are two options for the property division dissolution order. One awards a percentage amount to the ex-spouse upon the employee's retirement ([WAC 415-02-510](#)). The other option, which my wife selected, awards a specific dollar amount to be set aside in separate account ([WAC 415-02-520](#)). An actuarial reduction is associated with this option due to the removal of funds. My request is to replace the exact amount of funds that are being removed and then remove the actuarial reduction designation from my account. The Department of Retirement Systems has the ability to receive payments in the case where someone leaves state service and removes their retirement funds and subsequently returns and decides to replace the funds thus restoring their retirement benefits. Therefore, they have the ability to receive my payment and deposit it into my account. Also, if they have the ability to flag my retirement account as requiring an actuarial reduction upon retirement, they also have the ability to remove the designation. As I have explained to the DRS representatives, I am prepared to make the funds available immediately. The DRS representatives' last response was that I should talk with my legislator to get the WAC changed to allow for this option. This is why I am corresponding with you.

Sincerely,
Kent Andrus

----- Original Message -----

From: "Sen. Karen Fraser" <Karen.Fraser@leg.wa.gov>
To: "coachka@comcast.net" <coachka@comcast.net>
Cc: "Rep. Sam Hunt" <Sam.Hunt@leg.wa.gov>, "Rep. Chris Reykdal" <Chris.Reykdal@leg.wa.gov>
Sent: Saturday, January 15, 2011 5:24:02 PM
Subject: FW: Constituent: State retirement account

Dear Mr. Andrus:

I've reviewed your inquiry about options for dividing up your pension as part of a divorce settlement.

I think it would be best to contact the Department of Retirement Systems about your questions.

You have not indicated whether your divorce is final yet or not. I assume it is not, since you are making inquiry of legislators.

I believe it would require a court order to divide your pension. Please ask the Department about the laws pertaining to divorce settlements dividing retirement pensions.

If a court does decree that your pension benefit be divided between the two of you, you should ask the Department when the benefit ends for the second spouse when the first one dies. I believe the laws establish how this works. Both parties might want to take this into account in the final settlement.

What you appear to be considering is a little unusual as it pertains to pensions. A pension benefit is one that is paid out monthly over a long time, and not in a one-time lump sum. You appear to be asking if you could take a lump sum out of the retirement account you are building, but then immediately replace those funds. If this is the intent, you could achieve the same end by agreeing to a make a lump sum payment from another financial asset, thus avoiding complexities involving your retirement account.

It could be that your soon to be former wife would prefer open-ended monthly retirement payments rather than a "lump sum" buy-out?

I hope this reply helps you ask the Department of Retirement Systems useful questions to help you with your major decisions ahead.

Please feel free to get back to me after you have spoken with them.

Best wishes,

Karen Fraser
State Senator, 22nd District
360-786-7642 Office
360-786-1323 Fax
To subscribe to Senator Fraser's E-Newsletter click [here](#).

-----Original Message-----

From: coachka@comcast.net [mailto:coachka@comcast.net]
Sent: Thursday, January 13, 2011 9:12 PM
To: Fraser, Sen. Karen
Cc: Reykdal, Rep. Chris; Hunt, Rep. Sam
Subject: Constituent: State retirement account

HOUSE INTERNET E-MAIL DELIVERY SERVICE
SENATE INTERNET E-MAIL DELIVERY SERVICE

TO: Senator Karen Fraser

CC: Representative Chris Reykdal
Representative Sam Hunt

FROM: Mr. Kent Andrus(Constituent)

STREET ADDRESS:
2816 Otis St SE
Olympia, WA 98501-3480

E-MAIL: coachka@comcast.net

PHONE: (360) 943 - 0437

SUBJECT: State retirement account

MESSAGE:

Senator Karen Fraser, Representative Chris Reykdal and Representative Sam Hunt:

As stated in the contact information, my name is Kent Andrus. I am an active state employee and I am a registered voter in the 22nd district. I am writing to you regarding a request I have made to the Department of Retirement Systems. I am recently divorced and as part of the divorce settlement my wife has elected to take part of my state retirement. I have the funds to replace the amount that will be taken out of my state retirement account. I have requested to make a deposit equal to the amount that will be removed so that I won't face an actuarial reduction when I retire. Although DRS has the processes in place to facilitate this request, the department's representatives have stated they cannot do anything that isn't specifically supported by WAC. I have reviewed the applicable WACs and although they specify several processes for handling the division of the retirement account, they do not state any alternative processes nor do they state that there can't be alternative processes. The bottom line is, I would like to be able to pay back the funds and have full benefits when I retire. I would appreciate any assistance you can provide in this matter.

Sincerely,

Kent Andrus

NOTE: We are 99% sure that this constituent is in your district

RESPONSE REQUESTED: Mr. Andrus has requested a response to this message.