

HOUSE BILL REPORT

ESB 5351

As Reported By House Committee On:
Appropriations

Title: An act relating to teachers' retirement.

Brief Description: Regarding death benefits for disabled teacher retirees under plan I.

Sponsors: Senators Newhouse, Spanel, Moore, Bauer, Winsley, von Reichbauer and Roach; by request of Joint Committee on Pension Policy.

Brief History:

Reported by House Committee on:
Appropriations, March 18, 1993, DP.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 24 members: Representatives Locke, Chair; Valle, Vice Chair; Silver, Ranking Minority Member; Carlson, Assistant Ranking Minority Member; Appelwick; Ballasiotes; Basich; Cooke; Dorn; Dunshee; Jacobsen; Lemmon; Leonard; Linville; Morton; Rust; Sehlin; Sheahan; Sommers; Stevens; Talcott; Wang; Wineberry; and Wolfe.

Staff: Barbara McLain (786-7153).

Background: If a member of Plan I of the Teachers' Retirement System retires under disability, but dies before the first retirement benefit is paid, the member's surviving spouse receives an actuarially reduced benefit. However, if the member had died after the first retirement benefit had been paid, and the member had chosen a retirement option that pays benefits to survivors, then the surviving spouse would have received the full retirement benefit.

Other state retirement systems only allow actuarially reduced benefits upon the death of disabled members.

Summary of Bill: If a member of Plan I of the Teachers' Retirement System is determined to be disabled by the director of the Department of Retirement Systems, and selects a retirement payment option that pays benefits to survivors, but dies before the first payment becomes due, the member's surviving beneficiary receives the benefit

payable under the selected payment option. The bill applies retroactively to all determinations of disability made after June 30, 1992.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: None.

Testimony Against: None.

Witnesses: None.