

HOUSE BILL REPORT

HB 1207

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: Representatives Sommers, Silver and Wood; by request of Joint Committee on Pension Policy.

Brief History:

Reported by House Committee on:
Appropriations, February 18, 1993, DPA.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 25 members: Representatives Locke, Chair; Valle, Vice Chair; Silver, Ranking Minority Member; Carlson, Assistant Ranking Minority Member; Appelwick; Ballasiotes; Basich; Cooke; Dellwo; Dunshee; G. Fisher; Jacobsen; Lemmon; Linville; Morton; Peery; 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 Amended 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.

Amended Bill Compared to Original Bill: The bill applies retroactively to all determinations of disability made after June 30, 1992, not June 30, 1993.

Fiscal Note: Available.

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

Testimony For: This corrects a glitch in the current law that has led to unfair and sometimes tragic situations that should never have occurred.

Testimony Against: None.

Witnesses: Linda Lilles (in favor); Aimee Lilles (in favor); and Milena Lilles (in favor).