

SENATE BILL REPORT

ESB 5351

AS PASSED SENATE, MARCH 11, 1993

**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

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass as amended.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Anderson, Bauer, Bluechel, Cantu, Gaspard, Hargrove, Hochstatter, Jesernig, McDonald, Moyer, Niemi, Owen, Quigley, L. Smith, Snyder, Sutherland, Talmadge, West, Williams, and Wojahn.

**Staff:** Denise Graham (786-7715)

**Hearing Dates:** March 1, 1993; March 2, 1993

**BACKGROUND:**

If a member of the Teachers' Retirement System Plan I (TRS I) dies while he or she is an active employee, the surviving beneficiary's death benefit is reduced. The reduction equals the difference between the benefit accrued at the time of death and the amount that the member would have received at the age he or she first qualified for retirement.

If an active employee who becomes disabled selects a joint and survivor death benefit and dies after the first payment becomes due, the beneficiary will receive a joint and survivor benefit that is not reduced. However, if an active employee becomes disabled but dies before the first retirement payment becomes due, he or she is considered to be an active member at the time of death and the beneficiary's benefit is reduced.

**SUMMARY:**

If a TRS I member who has been determined by the Director of the Department of Retirement Systems to be disabled selects a joint and survivor option and dies before the first payment becomes due, the member's beneficiary will receive the benefit due under the selected retirement option. The provisions of this act apply to all determinations of disability made after June 30, 1992.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

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

**TESTIMONY FOR:** None

**TESTIMONY AGAINST:** None

**TESTIFIED:** No one