

HOUSE BILL REPORT

HB 1550

As Reported By House Committee On:

Appropriations

Title: An act relating to disability retirement benefits resulting from criminal conduct.

Brief Description: Prohibiting disability retirement benefits resulting from criminal conduct.

Sponsors: Representatives Doumit, Ballasiotes, Hatfield, Pennington, Kessler, Tokuda, Carlson, Ogden, Romero and Mielke.

Brief History:

Committee Activity:

Appropriations: 2/11/97, 2/27/97 [DPS].

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 30 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Benson; Carlson; Chopp; Cody; Cooke; Crouse; Dyer; Grant; Keiser; Kenney; Kessler; Lambert; Linville; Mastin; McMorris; Parlette; Poulsen; Regala; D. Schmidt; Sehlin; Sheahan; Talcott and Tokuda.

Staff: Elissa Benson (786-7191).

Background: The PERS, TRS, and LEOFF Retirement System all permit various disability benefits for members.

LEOFF: LEOFF I provides a disability benefit equaling 50 percent of final average salary with an additional 5 percent for each dependent child. The benefit is not to exceed 60 percent of final average salary.

LEOFF II members who are permanently disabled receive a benefit of 2 percent multiplied by years of service multiplied by average final compensation, with an actuarial reduction from age 55 to the age the member at the time of disability.

PERS: PERS I provides a non-duty disability benefit consisting of 2 percent multiplied by years of service multiplied by average final compensation, with a 2 percent reduction for each year between the members' age and age 55.

The disability benefit for a PERS II member is 2 percent multiplied by years of service multiplied by average final compensation, actuarially reduced from age 65.

TRS: A disabled TRS I member has three options: 1) to receive a regular retirement benefit, if eligible; 2) to receive a benefit based on years of service and average final compensation; or 3) to receive with accumulated employee contributions plus interest and withdraw from TRS.

The disability benefit provided to a TRS II member is 2 percent multiplied by years of service multiplied by average final compensation, actuarially reduced from age 65. A TRS III member would receive a 1 percent benefit based on years of service and average final compensation, actuarially reduced from age 65.

Summary of Substitute Bill: Disability benefits will not be granted to a member whose disability resulted from criminal conduct on the part of the member. This change applies to any member of PERS, TRS, or LEOFF who engages in criminal conduct after the effective date of the act.

Substitute Bill Compared to Original Bill: A technical correction referencing statutory disability pensions was made.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: There is a case in Castlerock where a former police chief charged with indecent liberties and sexual exploitation of a minor will receive retirement disability benefits. Though the bill will not affect this person, it will prevent public monies from providing retirement disability benefits to members who claim disability as a result of criminal activity.

Testimony Against: None.

Testified: Representative Doumit, prime sponsor; and Gene Frymire, citizen.