

FINAL BILL REPORT

SHB 1550

C 103 L 97

Synopsis as Enacted

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

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Doumit, Ballasiotes, Hatfield, Pennington, Kessler, Tokuda, Carlson, Ogden, Romero and Mielke).

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) all permit various disability benefits to 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 may not exceed 60 percent of final average salary.

A LEOFF II member who is permanently disabled receives a benefit equaling 2 percent of the member's years of service multiplied by average final compensation, with an actuarial reduction from age 55 to the age of the member at the time of disability.

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

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

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

The disability benefit provided to a TRS II member is 2 percent of the member's 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: Under the PERS, TRS, and LEOFF retirement systems, disability benefits may not be granted to a member whose disability resulted from criminal conduct on the part of the member. This change applies to members of PERS, TRS, or LEOFF who engage in criminal conduct after the act's effective date.

Votes on Final Passage:

House 97 0

Senate 47 0

Effective: April 21, 1997