
HOUSE BILL ANALYSIS

HB 1550

Brief Description: Disallows disability benefits in Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and Law Enforcement Officers' and Fire Fighters' (LEOFF) if the disability is a result of criminal conduct committed by the member.

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 X years of service X 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 X years of service X 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 X years of service X 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 X years of service X 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: 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.

Fiscal Note: Available.