
Appropriations Committee

HB 1519

Brief Description: Calculating the death benefits for members of the teachers' retirement system, school employees' retirement system, and public employees' retirement system.

Sponsors: Representatives Wood, Fromhold, Simpson, Cooper, Schindler, Conway, Delvin, Hunt, Gombosky, Sullivan, Wallace, Santos and Kenney.

Brief Summary of Bill

- The survivor benefit paid to a survivor of a Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System member killed in the course of employment is not subject to an early retirement actuarial reduction.

Hearing Date: 3/3/03

Staff: David Pringle (786-7310).

Background:

Several death benefits are paid to survivors of members of the Public Employees' Retirement System (PERS), the School Employees' Retirement System (SERS), and the Teachers' Retirement System (TRS) who die as a result of injuries sustained in the course of employment.

One of the death benefits is a survivor benefit paid to the spouse or other eligible survivor. The amount of this survivor benefit is the greater of: 1) The member's accumulated contributions; or 2) the member's earned retirement benefit, actuarially reduced both for payment in the form of a survivor benefit, and also reduced from the plan's normal retirement age to the member's age at death.

A \$150,000 death benefit payable to PERS, SERS, and TRS members for deaths resulting in injuries sustained in the course of employment is \$150,000, payable as a sundry claim. This \$150,000 is provided in budget language and expires June 30, 2003.

A workers' compensation death benefit may also be payable from the Department of Labor and Industries (L&I) for death resulting from injury sustained in the course of employment.

A lump sum benefit may be payable from L&I for burial expenses, as well as a monthly benefit of 60 percent of gross wages up to 120 percent of the state's average wage (\$3,723 for Fiscal Year 2002).

The spouse or dependents of an individual covered by Social Security may be eligible for a death benefit if they meet age, income, or other restrictions. The age eligibility for the Social Security death benefit begins at age 60. The size of the Social Security death benefit is dependent on the contributions the deceased made to Social Security during the individual's career. For example, the maximum family benefit that could be paid from Social Security for the death of a male age 45 earning \$40,000 per year is approximately \$2,300 per month.

According to the Office of the State Actuary's 1996-2001 Actuarial Experience Study, there are about 10 duty-related deaths each biennium in the PERS, SERS, and TRS systems combined.

Summary of Bill:

The survivor benefit paid from a member's earned retirement benefit to PERS, SERS, and TRS members killed in the course of employment is not subject to an early retirement actuarial reduction.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.