

SENATE BILL REPORT

HB 1519

As Reported By Senate Committee On:
Ways & Means, April 7, 2003

Title: An act relating to death benefits for members of the teachers' retirement system, school employees' retirement system, and public employees' retirement system.

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 History:

Committee Activity: Ways & Means: 4/7/03 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rossi, Chair; Hewitt, Vice Chair; Zarelli, Vice Chair; Brown, Doumit, Fairley, Fraser, Hale, Honeyford, Johnson, Parlette, Poulsen, Regala, Roach, Sheahan, B. Sheldon and Winsley.

Staff: Erik Sund (786-7454)

Background: When members of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) are killed as a result of injuries sustained in the course of employment, their beneficiaries are eligible for two kinds of death benefit. First, beneficiaries are entitled to either a refund of the member's pension contributions plus interest or, if the member has at least ten years of service credit, to the member's regular retirement benefit as actuarially reduced from the plan's normal retirement age. There is also a fixed \$150,000 death benefit that is provided in the 2001-2003 budget language. This benefit, which is paid as a sundry claim, expires June 30, 2003.

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) and the Washington State Patrol Retirement System (WSPRS) both provide a \$150,000 death benefit as a regular part of the plans.

Approximately 10 duty-related deaths occur each biennium in PERS, TRS, and SERS 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: Ninety days after adjournment of session in which bill is passed.

Testimony For: It is unfair to treat an active retirement system member's death as an early retirement.

Testimony Against: None.

Testified: Don Briscoe, International Federation of Professional and Technical Engineers Local 17 (pro).