

SENATE BILL REPORT

SB 6218

As of January 30, 2006

Title: An act relating to retirement benefits for domestic partners.

Brief Description: Extending retirement benefits to domestic partners.

Sponsors: Senators Prentice, Fairley, Rockefeller, Weinstein, Shin, Berkey, Kline, Keiser, Franklin, Regala, Thibaudeau, Jacobsen and Kohl-Welles.

Brief History:

Committee Activity: Ways & Means: 1/30/06.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Erik Sund (786-7454)

Background: The state administers a number of pension systems that provide retirement benefits for state and local government employees. These systems include the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), School Employees' Retirement System (SERS), the Public Safety Employees' Retirement System (PSERS), the Judicial Retirement System (JRS), the Washington State Patrol Retirement System (WSPRS), the Law Enforcement Officers' & Fire Fighters' Retirement System (LEOFF), and the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS). There are also public pension plans provided for under state law but operated by certain First Class Cities, such as the Seattle City Employees' Retirement System (SCERS). In addition, the state's institutions of higher learning provide some employees with access to retirement benefits offered by the Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF).

The spouse of a member of one of the various state administered retirement plans is eligible for certain benefits in the event of the death of the member. The specifics vary from plan to plan; however, eligible spouses of members who die prior to retirement generally receive at least a refund of the members' contributions. If the member was eligible for retirement, then the spouse will typically receive a retirement allowance that is actuarially reduced to reflect a joint survivor benefit option and early retirement, if applicable. LEOFF and WSPRS provide enhanced retirement benefits for spouses of members who die in the line of duty. If the member has already retired before death, then an eligible spouse will in most plans only be eligible to continue to receive a retirement allowance if the member opted for a joint survivor benefit at the time of retirement.

If a member dies as a result of an injury sustained in the course of employment, there are additional benefits available to a surviving spouse. The first is a lump sum \$150,000 death benefit that is payable to surviving spouses under most state retirement systems. In addition,

public safety officers are eligible under the federal Public Safety Officers Benefit Act of 1976 for an inflation-indexed lump sum death benefit that was approximately \$157,000 as of 2004.

A worker's compensation death benefit may also be payable from the Department of Labor and Industries for death resulting from injury sustained in the course of employment. A lump sum benefit may be payable from Labor and Industries 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.

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 is based on an age 65 eligibility for full benefits, and reduced benefits are available beginning at age 60. The size of the Social Security death benefit is dependent on the contributions the deceased made to Social Security during the member's career.

Summary of Bill: Domestic partner is defined as one of two unmarried, mentally competent adults in a close personal relationship in which the partners: (a) are responsible for each other's common welfare; (b) share the same regular and permanent residence; (c) agree that they are jointly responsible for basic living expenses such as food and housing; and (d) are not related by blood closer than would bar marriage in Washington. Within the retirement systems administered by the state, with the exception of WSPRS, domestic partners have the same rights as spouses. A member may elect a joint survivor benefit for a domestic partner at the time of retirement.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.