

# FINAL BILL REPORT

## SSB 5818

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C 227 L 96  
Synopsis as Enacted

**Brief Description:** Paying benefits when a member dies before retirement.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Winsley, A. Anderson, C. Anderson and McAuliffe).

**Senate Committee on Ways & Means**  
**House Committee on Appropriations**

**Background:** If a member of the Teachers' Retirement System Plan I (TRS I) dies while he or she is an active employee, the surviving beneficiary's death benefit is reduced. The reduction equals the difference between the benefit accrued at the time of death and the amount that the member would have received at the age he or she first qualified for retirement.

If an active TRS I member who becomes disabled selects a joint and survivor death benefit and dies after receiving a disability determination by the director of the Department of Retirement Systems, the beneficiary will receive a joint and survivor benefit that is not reduced. However, if an active employee becomes permanently disabled but dies before a determination can be rendered, he or she is considered to be an active member at the time of death and the beneficiary's benefit is reduced.

If a member of the Public Employees' Retirement System Plan I qualifies for a nonduty disability retirement but dies before receiving his or her first retirement payment, the member's beneficiary is not eligible to receive the survivor benefit. Instead, the beneficiary is eligible to receive a "death in service" benefit, which is a joint and 100 percent survivor allowance, actuarially reduced for the time between the member's age at death and the age at which the member would have first qualified for a service retirement allowance.

**Summary:** The spouse of a Teachers' Retirement System Plan I member receives an unreduced benefit if the member dies following a period of sick leave without having applied for a disability retirement, the member had been on sick leave due to an illness that would have qualified the member for permanent disability and the illness was the cause of the member's death. This applies to members who died between July 1, 1994 and September 1, 1994.

For deaths occurring between July 1, 1995 and June 30, 1997, if a member of the Public Employees' Retirement System Plan I applies for a nonduty disability retirement, submits adequate evidence to support a disability determination and selects a retirement option but dies before receiving the first payment, the named beneficiary may elect to receive either a cash refund or unreduced monthly payments.

**Votes on Final Passage:**

Senate	49	0	
House	85	0	(House amended)
Senate	45	0	(Senate concurred)

**Effective:** June 6, 1996