

Senate Bill 761

Sponsored by COMMITTEE ON WORKFORCE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes alternate death benefit for surviving spouse of member of Public Employees Retirement System who dies before retirement.

A BILL FOR AN ACT

1
2 Relating to death benefits under the Public Employees Retirement System; creating new provisions;
3 and amending ORS 238.395.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 238.395 is amended to read:

6 238.395. (1)(a) In addition to any other benefits under this chapter, a death benefit, provided by
7 contributions of the public employer under ORS 238.225, shall be paid to the beneficiaries designated
8 under ORS 238.390 (1) of a person who is an active or inactive member of the system and who dies
9 as a result of injuries received while employed in the service of the public employer or within 120
10 days after termination from service with a participating public employer. A member who is on a
11 leave of absence without pay from employment with a participating public employer has not termi-
12 nated service with that participating public employer for the purposes of this section.

13 [(2)] (b) The death benefit [*referred to in subsection (1) of this section shall be*] **under this sub-**
14 **section is** an amount equal to the amount in the member account of the deceased member at the
15 time of death.

16 [(3)] (c) In the event that a beneficiary has not been named as provided in [*subsection (1) of this*
17 *section*] **paragraph (a) of this subsection** and ORS 238.390 (1), the death benefit [*referred to in*
18 *subsection (1) of this section*] **under this subsection** shall be paid in the manner provided for pay-
19 ment of money credited to the member account of the member in ORS 238.390 (2).

20 [(4)] (d) The beneficiary designated under [*subsection (1) of this section*] **paragraph (a) of this**
21 **subsection** and ORS 238.390 (1) may elect to receive the amount payable in actuarially determined
22 monthly payments for the life of such beneficiary as long as such monthly payments, plus the
23 monthly amount if elected under ORS 238.390 (3), are at least \$200.

24 [(5)] (e) Interest upon the death benefit provided by this [*section shall accrue*] **subsection ac-**
25 **crues** until the date that the benefit is distributed. The board shall establish procedures for com-
26 puting interest to be credited on the benefit for the period between the date of death and date of
27 distribution.

28 **(2)(a) If a member of the system dies while employed in the service of a participating**
29 **public employer or within 120 days after termination from service with a participating public**
30 **employer and the member's spouse is the member's beneficiary under ORS 238.390, the**
31 **member's spouse may elect to receive the benefit provided under this subsection in lieu of**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 the death benefits provided under ORS 238.390 and subsection (1) of this section.

2 (b) The member's spouse must notify the Public Employees Retirement Board in writing
3 of an election under this section no later than 60 days after the date of death of the member.

4 (c) The death benefit to be paid under this subsection is for the life of the member's
5 spouse and is the actuarial equivalent of 50 percent of the service retirement allowance that
6 would otherwise have been paid to the deceased member, which shall be calculated:

7 (A) As of the date of death, if the member dies after the earliest retirement date for the
8 member under ORS 238.280; or

9 (B) As if the member became an inactive member on the date of death and retired at the
10 earliest retirement date for the member under ORS 238.280.

11 (d) The death benefit provided under this subsection is first effective on the first day of
12 the month following the election of the member's spouse to receive the death benefit under
13 this subsection. The member's spouse may elect to delay payment of the death benefit, but
14 payment must commence no later than December 31 of the calendar year in which the de-
15 ceased member would have reached 70-1/2 years of age.

16 [(6)] (3) Payment by the Public Employees Retirement Board of additional death benefits in the
17 manner provided by this section completely discharges the board and system on account of the
18 death, and shall hold the board and system harmless from any claim for wrongful payment.

19 **SECTION 2.** The amendments to ORS 238.395 by section 1 of this 2017 Act apply only to
20 a beneficiary of a member of the Public Employees Retirement System who dies on or after
21 the effective date of this 2017 Act.

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