

**Enrolled**  
**House Bill 2417**

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Business and Labor for City of Eugene)

CHAPTER .....

AN ACT

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

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

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

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

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

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

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

[(5)] (e) Interest upon the death benefit provided by this [section shall accrue] **subsection accrues** until the date that the benefit is distributed. The **Public Employees Retirement Board** shall establish procedures for computing interest to be credited on the benefit for the period between the date of death and date of distribution.

**(2)(a) If a member of the system dies while employed in the service of a participating public employer or within 120 days after termination from service with a participating public employer and the member's spouse is the member's beneficiary under ORS 238.390, the member's spouse may elect to receive the benefit provided under this subsection in lieu of the death benefits provided under ORS 238.390 and subsection (1) of this section.**

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

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

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

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

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

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

**SECTION 2. The amendments to ORS 238.395 by section 1 of this 2019 Act apply only to a beneficiary of a member of the Public Employees Retirement System who dies on or after the effective date of this 2019 Act.**

Passed by House June 10, 2019

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 17, 2019

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2019

Approved:

.....M.,....., 2019

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2019

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Bev Clarno, Secretary of State