

Requested by SENATE COMMITTEE ON LABOR AND BUSINESS

**PROPOSED AMENDMENTS TO
SENATE BILL 111**

1 On page 6 of the printed bill, delete lines 29 through 45.

2 On page 7, delete lines 1 through 29 and insert:

3 **SECTION 10.** ORS 238.395 is amended to read:

4 “238.395. (1)(a) In addition to any other benefits under this chapter, a
5 death benefit, provided by contributions of the public employer under ORS
6 238.225 and, for benefits that accrue on or after July 1, 2020, amounts in the
7 employee pension stability account established for the member under ORS
8 238A.353, shall be paid to the beneficiaries designated under ORS 238.390 (1)
9 of a person who is an active or inactive member of the Public Employees
10 Retirement System and who dies as a result of injuries received while em-
11 ployed in the service of the public employer or within 120 days after termi-
12 nation from service with a participating public employer. A member who is
13 on a leave of absence without pay from employment with a participating
14 public employer has not terminated service with that participating public
15 employer for the purposes of this section.

16 “(b) The death benefit under this subsection is an amount equal to the
17 amount in the member account of the deceased member at the time of death.

18 “(c) In the event that a beneficiary has not been named as provided in
19 paragraph (a) of this subsection and ORS 238.390 (1), the death benefit under
20 this subsection shall be paid in the manner provided for payment of money
21 credited to the member account of the member in ORS 238.390 (2).

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

6 “(e) Interest upon the death benefit provided by this subsection accrues
7 until the date that the benefit is distributed. The Public Employees Retire-
8 ment Board shall establish procedures for computing interest to be credited
9 on the benefit for the period between the date of death and date of distrib-
10 ution.

11 “(2)(a) If a member of the system dies while employed in the service of a
12 participating public employer or within 120 days after termination from ser-
13 vice with a participating public employer and the member’s spouse is the
14 member’s beneficiary under ORS 238.390, the member’s spouse may elect to
15 receive the benefit provided under this subsection in lieu of the death bene-
16 fits provided under ORS 238.390 and subsection (1) of this section.

17 “(b) The member’s spouse must notify the board in writing of an election
18 under this section no later than 60 days after the date of death of the mem-
19 ber.

20 “[*(c) The death benefit to be paid under this subsection is for the life of the*
21 *member’s spouse and is the actuarial equivalent of 50 percent of the service*
22 *retirement allowance that would otherwise have been paid to the deceased*
23 *member, which shall be calculated:]*

24 “[*(A) As of the date of death, if the member dies after the earliest retire-*
25 *ment date for the member under ORS 238.280; or]*

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

28 “**(c) The death benefit to be paid under this subsection is for the life**
29 **of the member’s spouse and is:**

30 “**(A) If the member dies on or before the earliest retirement date**

1 **for the member under ORS 238.280, the actuarial equivalent of 50 per-**
2 **cent of the service retirement allowance that would otherwise have**
3 **been paid to the deceased member under ORS 238.300, which shall be**
4 **calculated as if the member became an inactive member on the date**
5 **of death and retired at the earliest retirement date for the member**
6 **under ORS 238.280; or**

7 **“(B) If the member dies after the earliest retirement date for the**
8 **member under ORS 238.280, the actuarial equivalent of the service re-**
9 **tirement allowance that would otherwise have been paid to the de-**
10 **ceased member under ORS 238.300 at the earliest retirement date for**
11 **the member under ORS 238.300.**

12 **“(d) The death benefit provided under this subsection shall be funded in**
13 **the same manner as described under ORS 238.300 and** is first effective
14 on the first day of the month following the election of the member’s spouse
15 to receive the death benefit under this subsection. The member’s spouse may
16 elect to delay payment of the death benefit, but payment must commence no
17 later than December 31 of the calendar year in which the deceased member
18 would have reached 70-1/2 years of age.

19 **“(3) Payment by the board of additional death benefits in the manner**
20 **provided by this section completely discharges the board and system on ac-**
21 **count of the death, and shall hold the board and system harmless from any**
22 **claim for wrongful payment.”.**

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