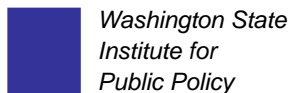

PUBLIC EMPLOYEE DISABILITY BENEFITS STUDY: UPDATE

Presented to the Washington State Select
Committee on Pension Policy

September 15, 2009

Jim Mayfield



Legislative Assignment

The 2009 Legislature, in ESHB 1244, directed the Office of the State Actuary to contract with the Washington State Institute for Public Policy to...

Study the disability benefits provided to the plan 2 and plan 3 members of the public employees' retirement system, the teachers' retirement system, and the school employees' retirement system. Among the options the institute shall examine include statutory changes to the retirement systems and insurance products.

Study Goals

Examine LTD benefits provided to plan members and explore options for addressing the needs of plan members for long-term disability coverage. There are three goals:

- Describe the current long-term disability benefits available to members of Plans 2 and 3 of PERS, SERS, and TRS;
- Identify gaps in long-term disability coverage for Plan 2 and 3 members, where coverage may be inadequate relative to other systems; and
- Recommend strategies for the legislature to address gaps identified in the study.

Status

- Developing a comprehensive description of benefits available to Plan 2/3 members through the retirement systems; employer-based long-term disability insurance; and Workers Compensation and Social Security Disability Insurance.
- Completing benchmark study of the insurance-based long-term disability benefits provided in 12 peer states identified by the Office of the State Actuary; and
- With the assistance of industry consultants and agency staff, identifying insurance products that may help mitigate gaps in long-term disability coverage.
- Report due November 1, 2009