

# HOUSE BILL REPORT

## HB 1547

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### As Reported by House Committee On: Ways & Means

**Title:** An act relating to increasing the duty-related death benefit for public employees.

**Brief Description:** Increasing the duty-related death benefit for public employees.

**Sponsors:** Representatives Bailey, Conway, Seaquist, Crouse, Kenney, Simpson and Ormsby; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board.

#### **Brief History:**

##### **Committee Activity:**

Ways & Means: 2/2/09, 2/10/09 [DP].

#### **Brief Summary of Bill**

- Increases from \$150,000 to \$175,000 the lump-sum death benefit that is paid to survivors of state, school district, higher education, or other Washington State Retirement Systems-covered employees who die as a result of injuries sustained in the course of employment.
- Makes the \$175,000 death benefit payable either from the member's retirement plan or, if the employee was not covered by one of the state retirement systems, from sundry claims.

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### HOUSE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass. Signed by 21 members: Representatives Linville, Chair; Ericks, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Cody, Conway, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Priest, Ross, Schmick, Seaquist and Sullivan.

**Staff:** David Pringle (786-7310)

#### **Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The survivors of employees covered by many of the plans of the Washington retirement systems, as well as other state agency employees, are eligible for a \$150,000 lump-sum benefit in the event that the member dies as a result of injuries sustained in the course of employment. If the member belongs to the Public Employees' Retirement System (PERS), the Law Enforcement Officers and Firefighters Retirement System (LEOFF), the Teachers' Retirement System (TRS), the School Employees' Retirement System (SERS), the Public Safety Employees Retirement System (PSERS), the Washington State Patrol Retirement System (WSPRS), or the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS), then the benefit is paid from the plan. If the individual was a state, school district, or higher education employee that was not a member of one of the retirement systems listed above, then the benefit is paid as a sundry claim.

Additional death benefits are available to survivors of state retirement system members. The spouse or dependents of an individual covered by Social Security may be eligible for a death benefit if they meet age, income, or other restrictions. The age eligibility for the Social Security death benefit is based on an age 65 eligibility for full benefits, and reduced benefits are available beginning at age 60. The size of the Social Security death benefit is dependent on the contributions the deceased made to Social Security during the member's career. Members of WSPRS and the majority of LEOFF members do not participate in Social Security. A Workers' Compensation death benefit may also be payable from the Department of Labor and Industries for death resulting from injury sustained in the course of employment.

Employees who meet the federal definition of "public safety officers," including some members of LEOFF, WSPRS, PERS, and PSERS, are also eligible under the federal Public Safety Officers Benefit Act of 1976 for an inflation indexed lump-sum death benefit of approximately \$316,00 in 2008.

Beginning in 1987 the Legislature enacted presumptions that when certain diseases were contracted by fire fighters they were caused by job-related exposure. For these "occupational diseases," the work-related cause is established for Workers' Compensation benefits purposes. Initially, the occupational disease presumption applied only to respiratory disease, but in 2002 the Legislature expanded the list of occupational diseases for fire fighters to include more conditions, including other exposures to smoke or toxic substances, certain types of cancer, and infectious diseases. Employees other than fire fighters do not benefit from the presumption of cause, and must establish that a workplace condition was the most likely cause of a disease.

The 2006 Legislature enacted a recommendation of the LEOFF 2 Board that extended the \$150,000 death benefit to instances where a member of LEOFF 2 died as a result of an occupational disease that arose from employment. The LEOFF 2 Board also recommended that the LEOFF 2 \$150,000 death benefit be indexed by inflation up to 3 percent per year, but the indexing part of the recommendation was not enacted.

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### **Summary of Bill:**

The lump-sum death benefit that is paid to survivors of state, school district, or higher education employees or members of PERS, LEOFF, TRS, SERS, PSERS, VFFRORPS, or WSPRS who die as a result of injuries sustained in the course of employment is increased from \$150,000 to \$175,000. The \$175,000 death benefit is payable from either the member's retirement plan to members of the Washington State Retirement Systems, or from sundry claims if the employee was not covered by one of the state retirement systems.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony:**

(In support) Thank you to the Select Committee on Pension Policy for cooperating with the Law Enforcement Officers' and Firefighters' Plan 2 Retirement Board in recommending this bill. In LEOFF 2 there are projected to be three duty-related deaths each year. The LEOFF 2 Board has worked for several years to improve this benefit, and making the change will not impact rates in the 2009-11 biennium, and only slightly in the 2011-13 biennium.

(Opposed) None.

**Persons Testifying:** Representative Bailey, prime sponsor; and Steve Nelsen, Law Enforcement Officers and Firefighters Plan 2 Retirement Board.

**Persons Signed In To Testify But Not Testifying:** None.