

HOUSE BILL REPORT

HB 1616

As Reported by House Committee On:
Ways & Means

Title: An act relating to the state pension benefits of certain domestic partners.

Brief Description: Addressing the state pension benefits of certain domestic partners.

Sponsors: Representative Simpson.

Brief History:

Committee Activity:

Ways & Means: 2/17/09, 2/24/09 [DP].

Brief Summary of Bill

- Provides qualified domestic partners the same pension and Public Employees' Benefits Board (PEBB) reimbursement benefits available to spouses of members of Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2, including retirement and disability survivor benefits, military service credit benefits, and withdrawal and annuity benefits paid upon a member's death.
- Defines domestic partners for LEOFF Plan 2 as those meeting the requirements for a valid state domestic partnership.
- Enables registered state domestic partners whose partners were emergency service personnel killed in the line of duty to participate in PEBB health and related insurance benefits under the same terms as the spouses.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass. Signed by 14 members: Representatives Linville, Chair; Ericks, Vice Chair; Cody, Conway, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Seaquist and Sullivan.

Minority Report: Do not pass. Signed by 8 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Hinkle, Priest, Ross and Schmick.

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.

Staff: David Pringle (786-7310)

Background:

In 2007 the Legislature created the domestic partnership registry in the Office of the Secretary of the State (OSOS). Couples may register as domestic partners if they meet certain criteria and if the parties are the same sex or one of the parties is at least 62 years old. At the time the registry was created, state registered domestic partnerships could be terminated by either party by filing a notice of termination with the OSOS.

The 2007 legislation extended to domestic partners certain rights and responsibilities that are granted to or imposed on spouses. Those rights and responsibilities generally involved areas of law dealing with health care decision-making, hospital visitation, powers of attorney, and death and burial issues. In addition, the 2007 legislation provided that a certificate of domestic partnership issued by the OSOS fulfills the eligibility requirements for a same-sex partner of a public employee to receive benefits under the Public Employees Benefits Board (PEBB). In 2008 the Legislature extended more rights and responsibilities to state registered domestic partners. The legislation amended statutes related to dissolutions, community property, estate planning, taxes, court process, service to indigent veterans and other public assistance, conflicts of interest for public officials, and guardianships.

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) provides retirement benefits to full-time general authority law enforcement officers and firefighters throughout Washington. All employees first employed in LEOFF-eligible positions since 1977 have been enrolled in LEOFF Plan 2, which allows for an unreduced retirement allowance at age 53. The LEOFF Plan 2 permits early retirement beginning at age 50 for members with 20 years of service with a 3 percent per year reduction to their retirement allowance.

The LEOFF Plan 2 provides that retirement married members must select an allowance that continues 50 percent of their benefit to their surviving spouse upon their death, or provide the written consent of their spouse. If a member selects a single-life benefit that ceases upon the member's death, and the member dies prior to the payment of benefits equaling the member's accumulated contributions plus interest, the remaining amount of contributions plus interest are paid first to the member's surviving spouse.

Members of LEOFF Plan 2 that marry after retirement also have the opportunity to create a survivor benefit for their new spouse for one year following the date of the postretirement marriage.

The spouse of a LEOFF Plan 2 member that dies with fewer than 10 years of service is entitled to a withdrawal of the member's contributions plus interest. If the member earned 10 or more years of service, the spouse may choose a survivor annuity (actuarially reduced unless the member was killed in the course of employment) or a lump-sum benefit equal to 150 percent of the members accumulated contributions.

If a member of LEOFF Plan 2 leaves retirement system-covered employment to enter the Uniformed Services of the United States and dies while serving, the spouse or eligible child

of the deceased member may purchase military service credit for the period between the date when the member left service, and the date of death. This purchased service credit would add to the survivor benefit that would be paid from LEOFF Plan 2.

The PEBB offers the surviving spouses and dependent children of emergency service personnel killed in the line of duty the right to participate in the health and related insurance plans and products that are offered to active and retired public employees. These survivors are permitted to participate in the risk pool comprised of active employees and retirees not yet eligible for Medicare until such time as the survivors are eligible for Medicare, when they are then placed in a separate risk pool but receive the same retiree subsidy as other Medicare-eligible participants. The surviving spouses and dependents of LEOFF Plan 2 members are reimbursed for any premium payments made to PEBB.

Summary of Bill:

State registered domestic partners of emergency service personnel killed in the line of duty are eligible to participate in PEBB insurance plans under the same terms as the spouses of deceased personnel.

Domestic partners for purposes of LEOFF Plan 2 are defined as those who meet the requirements for a valid state domestic partnership.

Qualified domestic partners are eligible for the same pension and PEBB access and reimbursement benefits provided to spouses of members of LEOFF Plan 2. These include retirement and disability survivor benefits, military service credit benefits, and withdrawal and annuity benefits upon a member's death.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The LEOFF 2 Retirement Board voted unanimously to support this proposal, and hope that you will support it as well.

(Opposed) None.

Persons Testifying: Steve Nelsen, Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board.

Persons Signed In To Testify But Not Testifying: None.