

SENATE BILL REPORT

SB 5748

As Reported by Senate Committee On:
Ways & Means, January 20, 2022

Title: An act relating to disability benefits in the public safety employees' retirement system.

Brief Description: Concerning disability benefits in the public safety employees' retirement system.

Sponsors: Senators Schoesler, Brown, Conway, Dozier, Hasegawa, Holy, Honeyford, Hunt, Lovick, Robinson and Short; by request of Select Committee on Pension Policy.

Brief History:

Committee Activity: Ways & Means: 1/17/22, 1/20/22 [DP].

Brief Summary of Bill

- Provides an enhanced disability benefit for members of the Public Safety Employees' Retirement System members who are permanently disabled in the line of duty.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Schoesler, Assistant Ranking Member, Capital; Honeyford, Ranking Minority Member, Capital; Billig, Braun, Carlyle, Conway, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

Staff: Amanda Cecil (786-7460)

Background: The Public Safety Employees' Retirement System (PSERS) was established July 1, 2006, for certain state and local government job classes that were identified as

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having law enforcement responsibilities and powers that were covered by the Public Employees' Retirement System (PERS).

PSERS members with between five and ten years of service have a normal retirement age of 65. Members with at least ten years have a normal retirement age of 60. Any retirement prior to age 60, including disability retirement, is reduced by 3 percent per year before the retiree reaches normal retirement age.

A worker that is disabled in the course of employment or who suffers disability from an occupational disease is entitled to certain benefits under the state's Workers Compensation Program. Someone with a disability might also be eligible for Social Security Disability Insurance.

Summary of Bill: A PSERS member who is totally disabled in the line of duty is entitled to receive a retirement allowance of no less than 70 percent of the member's average final salary. If the member receives benefits under the Workers Compensation Program or the Social Security Administration, the PSERS retirement benefit is reduced so that the total benefit does not exceed 100 percent of the member's average final salary, however, the disability benefit can never be less than the accrued retirement benefits a member has earned.

For purposes of this benefit a member is considered totally disabled if they are unable to perform any substantial gainful activity due to a physical or mental condition that may be expected to result in death or that has lasted or is expected to last at least 12 months. Substantial gainful activity is defined as average earnings in excess of \$860 a month in 2006, adjusted annually as determined by the director of the Department of Retirement Systems, based on federal social security disability standards.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: PSERS was created as a middle ground between PERS and the Law Enforcement Officers' and Firefighters' Retirement System Plan and this reflects that. This was worked through the Select Committee on Pension Policy and came out of that committee unanimously. Members of PSERS have a higher rate of catastrophic injury rate compared to other state jobs. This will make that right for them by providing them with a reasonable benefit when they are forced to separate from service after an on the job injury.

Persons Testifying: PRO: Senator Mark Schoesler, Prime Sponsor; Matt Zuvich, Washington Federation of State Employees; Brenda Wiest, Teamsters Local 117.

Persons Signed In To Testify But Not Testifying: No one.