

HOUSE BILL REPORT

HB 3020

As Passed House:

February 7, 2008

Title: An act relating to benefits for the survivors of certain firefighters.

Brief Description: Providing benefits for the survivors of certain firefighters.

Sponsors: By Representatives Chase, Conway, Fromhold, Bailey, Crouse, Liias, VanDeWege, Hurst, McDonald, Kenney, Simpson, Linville, Ormsby and Kelley; by request of Select Committee on Pension Policy.

Brief History:

Committee Activity:

Appropriations: 1/28/08 [DP].

Floor Activity:

Passed House: 2/7/08, 94-0.

Brief Summary of Bill

- Removes the cessation of benefits upon remarriage for surviving spouses of members of the Firemen's Relief and Pensions–1955 Act.
- Creates an optional survivor benefit for Firemen's Relief and Pensions–1955 Act funded through an actuarial reduction to the member's pension.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 29 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Anderson, Cody, Conway, Darneille, Ericks, Fromhold, Grant, Green, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Morrell, Pettigrew, Priest, Ross, Schmick, Schual-Berke, Seaquist and Sullivan.

Staff: David Pringle (786-7310).

Background:

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 Firemen's Relief and Pensions System–1955 Act (FRPS) covered firefighters prior to the establishment of the statewide Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) in 1970. It is administered in part by firemen's pension boards in each fire protection district. It is commonly referred to as the Firemen's "prior act," and unlike the LEOFF, the benefits are not supported by a state fund. Each municipality that has members of the FRPS instead has a separate pension fund that supports the benefits owed to members and beneficiaries from that municipality. These funds are supported by revenue from 25 percent of the 2 percent state tax on fire insurance policies, and up to 45 cents per \$1,000 of assessed value from municipalities' property tax levies.

Members and the beneficiaries of members who left service after 1970 are generally entitled to the better of the benefits that were offered either by the FRPS or the LEOFF Plan 1; however, members who left service prior to the creation of the LEOFF Plan 1 in 1970 are entitled to benefits only from the FRPS.

The surviving spouses of members of the FRPS who were killed in the line of duty are entitled to a benefit equal to 50 percent of the deceased member's basic salary at the time of death. The surviving spouse of a member who left service due to duty-related disability is equal to the monthly pension the member was receiving at the time of the member's death. The surviving spouse of a member who died as a result of a non duty-related disability is equal to one-third of the basic salary the member was receiving at the time of the member's death, plus additional amounts for dependent children.

In all three cases of members of the FRPS killed in the line of duty or disabled from further duty, the benefits to the surviving spouse cease if the surviving spouse remarries.

In 2002 LEOFF Plan 1 was amended to provide members the option of creating an actuarially reduced survivor benefit for a spouse who was otherwise ineligible for a survivor benefit from the plan. A significant category of spouses of LEOFF Plan 1 members who were ineligible for survivor benefits prior to the 2002 change were those who married the member after the member left service.

Summary of Bill:

The line-of-duty death and disability benefits paid to the surviving spouses of members of the FRPS do not cease upon the remarriage of the surviving spouse. An actuarially equivalent optional spousal survivor benefit is created for members of the FRPS with spouses otherwise ineligible for survivor benefits under the plan. A member that chooses this optional benefit will receive a reduced retirement allowance until the member is deceased, and survivor benefits begin, or the designated spouse is deceased, and the survivor benefit reduction is removed from the member's benefit.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) How many people are really affected by this bill? Last year we heard testimony that there were about 48 widows that would be helped. They should have the opportunity to choose to get remarried and not be impoverished by making that choice. Please support this good bill.

(In support with concerns) This issue has been around for awhile and was before the Legislature last year. There are concerns about something that will pass on some costs to the cities and local government employer, however, we spoke with Seattle, which is one of the cities most affected by this change, and they did not express great concern about the impacts.

(Opposed) None.

Persons Testifying: (In support) Representative Chase, prime sponsor.

(In support with concerns) Jim Justin, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.