

SENATE BILL REPORT

SB 6197

As of January 18, 2018

Title: An act relating to an employer's payment of indebtedness upon the death of an employee.

Brief Description: Regarding an employer's payment of indebtedness upon the death of an employee.

Sponsors: Senators Keiser, Baumgartner, Hasegawa and Conway.

Brief History:

Committee Activity: Labor & Commerce: 1/17/18.

Brief Summary of Bill

- Authorizes municipal corporations to pay any monies owing to a decedent employee's survivors.
- Removes the dollar limitation, for public employers, regarding the amount indebtedness owing that can be paid to the survivors.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Richard Rodger (786-7461)

Background: Following an employee's death, a private employer is required to pay the decedent's survivors monies owing to the decedent if:

- the amount is owed for the decedent's work, up a limit of \$2,500;
- the surviving spouse requests payment of the amount due; and
- no executor or administrator of the decedent's estate has been appointed.

If there is no surviving spouse, the monies are paid upon request of any child or children, or if none, upon the request of a parent.

If the decedent's estate is subsequently probated, the amount exceeding \$2,500 is released to the executor and distributed according to the order of distribution entered by the court.

The maximum amount that the state, as a decedent's employer, is authorized to pay the decedent's survivors for the decedent's work is currently \$13,500. This amount is based on

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the increase in the consumer price index, as authorized in statute, and determined by the Director of the Office of Financial Management.

There are no provisions authorizing a local government to make similar payments for monies owed to decedent employee's survivors.

Summary of Bill: Municipal corporations are added to the provision that allows the state to pay monies owing to a decedent employee's survivors.

Municipal corporation is defined to mean any city, town, county, water-sewer district, school district, port district, public utility district, metropolitan municipal corporation, public transportation benefit area, park and recreation district, irrigation district, fire protection district or any other municipal or quasi-municipal corporation described as such by statute, or regional transit authority.

The statutory limit on the payments made by the public employers is removed, allowing the state and municipal corporations to pay all indebtedness owing to a decedent employee's survivors.

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: The City of Kent recently had an employee that passed away. Fortunately that employee had a joint checking account and the city was able to deposit the money owed to that employee in the joint account. When researching this case, we realized that local government employers did not have the same ability to pay the last paycheck and vacation owed as the state as an employer. We understand there might be a couple of amendments, including covering prenuptial agreements. We believe those agreements are contractually covered but would be happy to work with you, as needed. We do not know why there is a limit on the amount of monies the state or a municipal corporation could pay out. We would appreciate it if the bill covered school districts, ports, and other public entities, we are just not sure if it does.

Persons Testifying: PRO: Senator Karen Keiser, Prime Sponsor; Joe DePinto, City of Kent; Pat Fitzpatrick, Deputy City Attorney, City of Kent; Joe Kendo, Washington State Labor Council, AFL-CIO.

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