

SENATE BILL REPORT

SB 5829

As Reported by Senate Committee On:
Ways & Means, March 1, 2019

Title: An act relating to pension benefits and contributions in the volunteer firefighters' and reserve officers' relief and pension system.

Brief Description: Concerning pension benefits and contributions in the volunteer firefighters' and reserve officers' relief and pension system.

Sponsors: Senators Mullet, Schoesler, Hunt, Walsh, Warnick, Takko and Van De Wege.

Brief History:

Committee Activity: Ways & Means: 3/01/19, 3/01/19 [DPS].

Brief Summary of First Substitute Bill

- Increases the annual disability relief fees for members and employers of volunteer firefighters, emergency medical workers, and law enforcement reserve officers.
- Increases the pension paid to volunteers from a maximum of \$300, to a maximum of \$350 plus \$10 per month for each year the retirement fee is paid beyond 25 years.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5829 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Honeyford, Assistant Ranking Member, Capital; Becker, Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Liias, Palumbo, Pedersen, Rivers, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

Staff: Amanda Cecil (786-7460)

Background: The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (system) provides death, disability, medical, and retirement benefits to volunteer firefighters, reserve officers, and emergency medical workers in cities, towns, and fire protection districts.

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 system is funded by member and employer contributions and 40 percent of the fire insurance premium tax.

Employers are required to participate in the death, disability, and medical benefit plans collectively referred to as the relief benefits offered by the system, but participation in the pension component is optional and participants must enroll to be covered by the plan. Relief benefits are available to members covered under the relief provisions of the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Act who are injured in the performance of duty.

Eligibility for retirement pension benefits from the system begins after ten years of service as a member. The amount of the pension increases for each five years of service beyond the minimum ten years and for payments made into the pension portion of the system. The maximum pension is vested with 25 years of service and 25 payments into the pension fund. Full retirement benefits are available at age 65, and early retirement benefits are available to members with 25 years of service on an actuarially reduced basis beginning at age 60. The maximum pension benefit is \$300 per month.

At any time prior to retirement, or at the time of retirement, a member of the system may purchase retirement pension coverage for years of eligible service prior to the member's enrollment in the system, or for years of service credit lost due to the withdrawal of the member's pension contributions. A member choosing to purchase such retirement pension coverage must make a contribution to the system equal to the actuarial value of the resulting benefit increase. The municipality that the member serves may contribute some or all of the amount required to purchase coverage.

Summary of Bill (First Substitute): Beginning July 1, 2019, the pension paid to members of the system is increased from a maximum of \$300. Beginning on January 1, 2020, the maximum benefit of \$350 is increased by \$10 per month for each year that the retirement fee is paid beyond 25 years.

The annual disability relief fee for each member of the system is increased from \$30 to \$50. The annual pension fee is increased from \$60 to \$90, half of which may continue to be paid by the member at the employer's choice.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Increases fees on members and employers of volunteer emergency workers and reserve officers from \$30 to \$45.
- Changes the date the benefit is increased beyond \$350 from July 1, 2020, to January 1, 2020.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2019.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The pension benefit has not increased since 1992. This bill comes out of two years of stakeholder collaboration. The number of volunteers have been dwindling and this is a carrot to attract and retain volunteers.

Persons Testifying: PRO: Senator Mark Mullet, Prime Sponsor; TJ Nedrow, Washington State Fire Fighters' Association.

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