

# SENATE BILL REPORT

## SHB 1004

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As Reported By Senate Committee On:  
Ways & Means, April 2, 2001

**Title:** An act relating to adjusting disability payments.

**Brief Description:** Adjusting disability payments.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Morris and Doumit).

**Brief History:**

**Committee Activity:** Ways & Means: 3/21/01, 4/2/01 [DP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Roach, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Winsley and Zarelli.

**Staff:** Pete Cutler (786-7454)

**Background:** The Volunteer Fire Fighters' Relief and Pension System (VFFRPS) provides death, disability, medical, and retirement benefits to volunteer fire fighters and reserve officers in cities, towns, and fire protection districts. The State Board for Volunteer Fire Fighters administers this system. The system is funded by member and employer contributions and a portion of the fire insurance premiums tax.

Under the state's industrial insurance system, an injured worker with a permanent partial disability receives compensation for the disability according to a statutory schedule. The Department of Labor and Industries (L&I) administers this benefit for covered employees who become disabled. Payments made under the statutory schedule increase each July by the annual change in the U.S. Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers.

Volunteer fire fighters are not employees, so they are not covered by L&I, but the VFFRPS offers a similar disability benefit. The State Board for Volunteer Fire Fighters determines the extent to which a disability qualifies for the benefit. For the first six months of a disability, the system pays a monthly disability benefit equal to the lesser of the disabled participant's monthly salary at their regular job or a dollar amount of \$2,550. After the first six months the disability benefit is \$1,275 per month. Additional amounts are granted if the member has a spouse or children, up to a maximum monthly allowance of \$2,550.

When a VFFRPS member is killed in the line of duty, the VFFRPS also provides survivor benefits for the member's spouse or designee. The designated survivors receive \$152,000

as a death benefit, and \$1,275 per month as a lifetime annuity (with additional compensation where there are dependent children). The lifetime annuity reaches a monthly maximum of \$2,550 per month.

Both the disability and survivor benefit amounts are set in statute and do not automatically increase to account for inflation.

**Summary of Bill:** Disability payments and survivor benefits in the VFFRPS are increased annually, beginning July 1, 2001. The increase is equal to the change in the annual average CPI for Urban Wage Earners and Clerical Workers for the preceding two calendar years.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Volunteer fire fighters provide a very important service to society and should be adequately compensated if they are disabled or killed while protecting lives and property. Providing an automatic annual cost of living increase to their disability and survivor benefits will help promote this goal.

**Testimony Against:** None.

**Testified:** Representative Jeff Morris, sponsor (pro).