

# HOUSE BILL REPORT

## HB 1726

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### As Reported by House Committee On:

Commerce & Labor

**Title:** An act relating to an employer's indebtedness to a deceased person for unpaid wages, labor, or services performed.

**Brief Description:** Changing provisions relating to an employer's indebtedness to a deceased person for unpaid wages, labor, or services performed.

**Sponsors:** Representatives Haigh and Armstrong; by request of Office of Financial Management.

### Brief History:

#### Committee Activity:

Commerce & Labor: 2/19/03, 2/26/03 [DPA].

#### Brief Summary of Amended Bill

- Increases the maximum amount that the State of Washington, as a decedent's employer, may be required to pay the decedent's survivors for the decedent's work.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass as amended. Signed by 9 members: Representatives Conway, Chair; Wood, Vice Chair; Chandler, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse, Holmquist, Hudgins, Kenney and McCoy.

**Staff:** Jill Reinmuth (786-7134).

### Background:

Following an employee's death, the decedent's employer may be required to pay the decedent's survivors an amount due to the decedent. This requirement applies if:

- The amount is owed for the decedent's work;
- The surviving spouse requests payment of the amount due; and
- No executor or administrator of the decedent's estate has been appointed.

The employer is required to pay the amount due, but not an amount exceeding \$2,500.

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.

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**Summary of Amended Bill:**

The maximum amount that the State of Washington, as a decedent's employer, may be required to pay the decedent's survivors for the decedent's work is increased. Initially the maximum amount is increased from \$2,500 to \$10,000. In subsequent biennia, the Director of the Office of Financial Management is permitted to adjust the maximum amount to levels not to exceed the percentage increase in the consumer price index for all urban consumers (CPI-U) for Seattle. Adjusted amounts must be rounded to the nearest \$500 increment.

Other technical changes are made.

**Amended Bill Compared to Original Bill:**

The amended bill specifies that the consumer price index that may be used to adjust the cap in future biennia is the consumer price index for all urban consumers (CPI-U) for Seattle.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 11, 2003.

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

**Testimony For:** This bill increases the amount of wages owed that may be paid to a state employee's survivors following the employee's death. The effect of the current limit on this amount is that survivors are forced to probate an estate that they might not otherwise. Over the last three years, the current limit has affected amounts paid to between 100 and 150 survivors.

**Testimony Against:** None.

**Testified:** Jennifer Strus, Office of Financial Management.