

# SENATE BILL REPORT

## SB 6724

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As Reported By Senate Committee On:  
Ways & Means, February 7, 2006

**Title:** An act relating to death benefit payments for law enforcement officers' and fire fighters' retirement system, plan 2.

**Brief Description:** Addressing death benefit payments for law enforcement officers' and fire fighters' retirement system, plan 2.

**Sponsors:** Senators Parlette, Keiser, Delvin, Fraser, Roach, Kohl-Welles and Rasmussen; by request of LEOFF Plan 2 Retirement Board.

**Brief History:**

**Committee Activity:** Ways & Means: 1/30/06, 2/7/06 [DPS].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6724 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Roach, Rockefeller, Schoesler and Thibaudeau.

**Staff:** Erik Sund (786-7454)

**Background:** Survivors of Law Enforcement Officers' and Fire Fighters' Plan 2 (LEOFF 2) members who die before retirement may be eligible for several benefits from LEOFF 2. If a LEOFF 2 member dies with less than 10 years of service, the beneficiary receives the member's accumulated contributions. The beneficiary of a member with more than 10 years of service may choose 150 percent of the member's contributions or a monthly benefit calculated as if the member had selected a joint-and-100 percent survivor option and had retired on the date of death.

Additional benefits are available to survivors of LEOFF 2 members who die in the line of duty. Survivors of LEOFF 2 members who die in the line of duty have received a \$150,000 duty-related death benefit payable from their respective retirement plans since 1996. In addition, public safety officers are eligible under the federal Public Safety Officers Benefit Act of 1976 for an inflation-indexed lump-sum death benefit that is currently worth approximately \$283,000.

The spouse or dependents of an individual covered by Social Security may be eligible for a death benefit if they meet age, income, or other restrictions. The age eligibility for the Social Security death benefit is based on an age 65 eligibility for full benefits, and reduced benefits are available beginning at age 60. The size of the Social Security death benefit is dependent

on the contributions the deceased made to Social Security during the member's career. Many members of LEOFF 2 do not participate in Social Security.

A Workers' Compensation death benefit may also be payable from the Department of Labor and Industries for death resulting from injury sustained in the course of employment. A lump sum benefit may be payable from the Department of Labor and Industries for burial expenses, as well as a monthly benefit of 60 percent of gross wages up to 120 percent of the state's average wage (about \$3,900 for Fiscal Year 2004).

Beginning in 1987, the Legislature enacted presumptions that when certain diseases were contracted by fire fighters they were caused by job-related exposure. For these "occupational diseases," the work-related cause is established for Workers' Compensation benefits purposes. Initially, the occupational disease presumption applied only to respiratory disease, but in 2002 the Legislature expanded the list of occupational diseases for fire fighters to include more conditions, including other exposures to smoke or toxic substances, certain types of cancer, and infectious diseases.

**Summary of Substitute Bill:** The survivor of a LEOFF 2 member or retiree who dies as a result of illness sustained in the course of employment, as well as from injuries sustained in the course of employment, is eligible to receive a \$150,000 death benefit.

The \$150,000 death benefit in LEOFF 2 is increased annually by the Consumer Price Index for the Seattle, Washington area for urban wage earners, up to a maximum annual adjustment of 3 percent.

**Substitute Bill Compared to Original Bill:** The language used in the substitute bill matches language used by the Department of Labor and Industries. Specifically, the substitute language authorizes payment of the \$150,000 death benefit to the survivor of a LEOFF 2 member who dies as a result of "occupational disease or infection as arises naturally and proximately out of employment covered in this chapter", rather than "illness sustained in the course of employment" as was stated in the original bill.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** This bill would provide the same \$150,000 death benefit to survivors of law enforcement officers and fire fighters who die as a result of an illness acquired in the line of duty as is currently given to survivors of members who die as a result of injuries sustained in the course of employment. The determination of the duty-related status of an illness would be made by the Department of Labor and Industries using the same criteria as are currently used in awarding Workers' Compensation benefits.

**Testimony Against:** None.

**Who Testified:** PRO: Kelly Fox, Washington State Council of Fire Fighters; Bill Hanson, Washington Council of Police and Sheriffs; Steve Nelsen, LEOFF Plan 2 Retirement Board.