

SENATE BILL REPORT

HB 1545

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 28, 2008

Title: An act relating to industrial insurance death benefits for the surviving spouses of law enforcement officers.

Brief Description: Providing industrial insurance benefits for life for the surviving spouses of law enforcement officers.

Sponsors: Representatives Kirby, Ericks and Ormsby.

Brief History: Passed House: 2/15/08, 94-0.

Committee Activity: Labor, Commerce, Research & Development: 2/26/08, 2/28/08 [DPA].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Holmquist, Ranking Minority Member; Franklin, King, Murray and Prentice.

Staff: Kathleen Buchli (786-7488)

Background: Workers injured in the course of employment, or their dependents in the case of death of the worker, may receive industrial insurance benefits. If a worker dies as a result of an injury, a surviving spouse may receive a monthly benefit of between 60 to 70 percent of the wages of the deceased worker. These benefits cease upon remarriage of the surviving spouse.

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) provides retirement and disability benefits to law enforcement officers and firefighters. Members of LEOFF may select a benefit option providing for a spouse to receive the members' retirement benefits if the member predeceases his or her spouse. If this option is chosen, the amount of the benefit awarded to the member is reduced and the surviving spouse will receive between 50 and 100 percent of the benefit, depending on the plan chosen. These benefits continue upon remarriage of the surviving spouse.

Summary of Bill (Recommended Amendments): The Workers' Compensation Advisory Committee (WCAC) is required to study issues relating to allowing a surviving spouse to continue to receive workers' compensation death benefits after remarriage. The WCAC must consider: potential costs to the workers' compensation system of providing death benefits for

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.

life to surviving spouses of LEOFF members as well as costs of providing this benefit to all workers; methods to offset costs, including providing a reduced initial benefit; how workers' compensation death benefits are administered in other states; and other matters the WCAC deems necessary. The WCAC must report its findings to the Legislature by December 1, 2009.

EFFECT OF CHANGES MADE BY LABOR, COMMERCE, RESEARCH & DEVELOPMENT COMMITTEE (Recommended Amendments): Requires the WCAC to study issues relating to allowing a surviving spouse of a LEOFF member to receive workers' compensation death benefits for life. The findings must be reported to the Legislature by December 1, 2009.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2008.

Staff Summary of Public Testimony on Original Bill: PRO: Currently, there is a difference between how workers compensation benefits and retirement benefits are applied to LEOFF members. A surviving spouse who remarries will continue to receive his or her spouse's retirement benefits, but will not continue to receive workers compensation benefits. The current law is archaic, and we do not want to penalize people who remarry. Other pension programs have eliminated their prohibitions on remarriage, and this recently came to LEOFF's attention. The bill will make families more stable because it will allow surviving spouses to remarry without being penalized. We should not punish survivors for moving on with their lives.

CON: The Department of Labor and Industries recognizes the sacrifices the families of law enforcement officers and fire fighters have made. Under their unique systems, they do get additional benefits. Workers compensation is different in that it provides benefits to all workers. Public policy should start with the Workers Compensation Advisory Committee and discussions should be made there to see if the proposed benefit should be extended to all working families. This bill misunderstands the workers compensation benefit system, and treats it like an earned entitlement or social welfare benefit. Workers compensation is a wage replacement, and there is wage replacement when another breadwinner is brought to the table. The bill sets a bad precedent for use of workers compensation funds, and this should be discussed by the Workers Compensation Advisory Committee.

Persons Testifying: PRO: Representative Kirby, prime sponsor; Steve Nelsen, Law Enforcement Officers and Fire Fighters Plan 2 Retirement Board; Jolin Lowry, Widow of a Fallen Officer; Pat Hogan, Chaplain, Tacoma Police Department.

CON: Kris Tefft, Association of Washington Business; Vickie Kennedy, Department of Labor and Industries.