

# HOUSE BILL REPORT

## HB 3153

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### As Reported by House Committee On: Ways & Means

**Title:** An act relating to designation of a spouse for certain survivor benefits under the firefighters' relief and pensions act of 1955.

**Brief Description:** Addressing designation of a spouse for certain survivor benefits under the firefighters' relief and pensions act of 1955.

**Sponsors:** Representative Conway.

#### **Brief History:**

##### **Committee Activity:**

Ways & Means: 2/8/10 [DP].

#### **Brief Summary of Bill**

- Permits members of the Firemen's Relief and Pensions System 1955 Act to actuarially reduce their benefit and designate a spouse married on or after July 1, 2009, as a survivor beneficiary only during a one-year window after the date of marriage.

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### HOUSE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass. Signed by 20 members: Representatives Linville, Chair; Ericks, Vice Chair; Sullivan, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Cody, Conway, Darneille, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Schmick and Seaquist.

**Staff:** David Pringle (786-7310).

#### **Background:**

The Firemen's Relief and Pensions System 1955 Act (FRPS) covered firefighters prior to the establishment of the statewide Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) in 1970. It is administered in part by firemen's pension boards in each fire

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protection district. It is commonly referred to as the Firemen's "prior act," and, unlike the LEOFF, the benefits are not supported by a state fund. Instead, each municipality that has members of the FRPS has a separate pension fund that supports the benefits owed to members and beneficiaries from that municipality. These funds are supported by revenue from 25 percent of the 2 percent state tax on fire insurance policies and up to 45 cents per \$1,000 of assessed value from municipalities' property tax levies.

Members and the beneficiaries of members of the FRPS who left service after 1970 are generally entitled to the better of the benefits that were offered either by the FRPS or the LEOFF Plan 1. Members of the FRPS who left service prior to the creation of the LEOFF Plan 1 in 1970 are entitled to benefits only from the FRPS.

The surviving spouses of members of the FRPS who were killed in the line of duty are entitled to a benefit equal to 50 percent of the deceased member's basic salary at the time of death. The benefit paid to the surviving spouse of a member who left service due to duty-related disability is equal to the monthly pension the member was receiving at the time of the member's death. The surviving spouse of a member who died as a result of a non duty-related disability is equal to one-third of the basic salary the member was receiving at the time of the member's death, plus additional amounts for dependent children.

The 2009 Legislature removed provisions that stopped line-of-duty death and disability benefits paid to surviving spouses of members of the FRPS upon the remarriage of the surviving spouse. An optional, actuarially-reduced survivor benefit was also created for members of the FRPS with spouses that are ineligible for survivor benefits under the plan. A member that chooses the optional survivor benefit receives a reduced allowance until death and the commencement of survivor benefits, or until the death of the designated spouse, whereupon the survivor benefit reduction is removed from the member's allowance.

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**Summary of Bill:**

Retired members of the Firemen's Relief and Pensions System 1955 Act are permitted to actuarially reduce their benefit and designate a spouse married on or after July 26, 2009, as a survivor beneficiary.

The member must choose the reduced benefit and survivor benefit during a one-year window beginning at the date of marriage to the spouse being designated as the survivor beneficiary.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 7, 2010.

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

**Staff Summary of Public Testimony:**

(In support) The expansion of the cities pre-LEOFF benefits was done in legislation last year to provide coverage to subsequent spousal survivors. Last year's bill failed to include the one-year window following the post-retirement marriage, a provision that would keep this benefit consistent with other state retirement system plans.

(Opposed) None.

**Persons Testifying:** Representative Conway, prime sponsor; and Jim Justin, Association of Washington Cities.

**Persons Signed In To Testify But Not Testifying:** None.