

SENATE BILL REPORT

SSB 6439

As Passed Senate, February 17, 2016

Title: An act relating to retirement benefits for volunteer firefighters and reserve officers assisting with state emergencies.

Brief Description: Addressing retirement benefits for volunteer firefighters and reserve officers assisting with state emergencies.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Bailey, Conway, Schoesler, Hewitt and Roach).

Brief History:

Committee Activity: Ways & Means: 2/04/16, 2/09/16 [DPS].
Passed Senate: 2/17/16, 49-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6439 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Darneille, Hasegawa, Hewitt, Nelson, O'Ban, Padden, Parlette, Pedersen, Rolfes, Schoesler and Warnick.

Staff: Steve Jones (786-7440)

Background: The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS) provides death, disability, medical, and retirement benefits to volunteer firefighters, reserve officers, and emergency medical workers in cities, towns, and fire protection districts. The VFFRORPS is funded by member and employer contributions and 40 percent of the fire insurance premium tax.

Employers are required to participate in the death, disability, and medical benefit plans - collectively referred to as the "relief benefits" - offered by the VFFRORPS, but participation in the pension component is optional and participants must enroll to be covered by the plan. Relief benefits are available to members covered under the relief provisions of the Volunteer

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.

Fire Fighters' and Reserve Officers' Relief and Pension Act who are injured in the performance of duty.

Eligibility for retirement pension benefits from the VFFRORPS begins after 10 years of service as a member. The amount of the pension increases for each five years of service beyond the minimum 10 years and for payments made into the pension portion of the VFFRORPS. The maximum pension is vested with 25 years of service and 25 payments into the pension fund. Full retirement benefits are available at age 65, and early retirement benefits are available to members with 25 years of service on an actuarially reduced basis beginning at age 60. The maximum pension benefit is \$300 per month.

At any time prior to retirement, or at the time of retirement, a member of the VFFRORPS may purchase retirement pension coverage for years of eligible service prior to the member's enrollment in the system, or for years of service credit lost due to the withdrawal of the member's pension contributions. A member choosing to purchase such retirement pension coverage must make a contribution to the system equal to the actuarial value of the resulting benefit increase. The municipality that the member serves may contribute some or all of the amount required to purchase coverage.

Volunteer firefighters, reserve officers, and emergency medical workers may also be employed for compensation for a portion of their work. If an employee receives compensation for 70 or more hours in five or more months in a year, the employee becomes a member of the Public Employees' Retirement System.

Summary of Substitute Bill: If a firefighter or reserve officer who is enrolled in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System is mobilized to fight state wildfires or to participate in other multiregional emergencies, the firefighter or reserve officer may elect to have the service earned counted toward determining membership in the Public Employees' Retirement System. The election must occur within 90 days of (a) the position becoming eligible, or (b) the end of the emergency.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This is a good solution for an inadvertent problem. Volunteer firefighters should not be placed into the PERS system without their consent. This provides an option, and firefighters can opt-in to the PERS system. Current law does not provide any choice.

Persons Testifying: PRO: Sen. Bailey, prime sponsor; T.J. Nedrow, WA St. Firefighters' Assoc.

Persons Signed In To Testify But Not Testifying: No one.