

SENATE BILL REPORT

HB 1156

As Reported by Senate Committee On:
Ways & Means, March 24, 2025

Title: An act relating to volunteer firefighter participation in the state deferred compensation program.

Brief Description: Concerning volunteer firefighter participation in the state deferred compensation program.

Sponsors: Representatives Steele, Ormsby and Hill.

Brief History: Passed House: 2/20/25, 97-0.

Committee Activity: Ways & Means: 3/13/25, 3/24/25 [DP].

Brief Summary of Bill

- Enables volunteer firefighters to participate in the Washington State Deferred Compensation Program.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke, Braun, Cleveland, Conway, Dhingra, Hansen, Hasegawa, Kauffman, Muzzall, Pedersen, Riccelli, Saldaña, Wagoner, Wellman and Wilson, C..

Staff: Amanda Cecil (786-7460)

Background: The Washington State Deferred Compensation Program (DCP) is a supplemental savings program under Section 457 of the federal Internal Revenue Code

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offered to state employees and to the employees of local governments that elect to participate in DCP. Both tax-deferred and post-tax supplemental savings programs are offered. It is administered by the Department of Retirement Systems (DRS) which contracts with a vendor for recordkeeping and other administrative services.

Since 2017, new state employees are automatically enrolled in DCP with a 3 percent employee contribution unless they choose not to participate or opt out. Local governments may choose to offer the DRS-administered DCP or other non-governmental DCPs to its employees.

The Volunteer Firefighters' Relief and Pension System (VFFRPS) provides death, disability, medical, and retirement benefits to volunteer firefighters, reserve officers, and emergency medical workers in cities, towns, and fire protection districts. The VFFRPS is funded by member and employer contributions and 40 percent of the fire insurance premium tax. Volunteers with local government entities are not eligible to participate in the VFFRPS or in DCP, even if their local government employer has elected to participate in DCP. Volunteer firefighters may receive stipends, reimbursements, or other nominal payments from fire departments that are not intended to be wages or compensation for service.

Summary of Bill: Volunteer firefighters whose agency participates in DCP may enroll in DCP.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill helps address the ongoing challenge of recruiting and retaining volunteer firefighters by offering them access to the state's deferred compensation program. Currently, volunteer firefighters receive only a small pension, and a recent audit determined they are not eligible to participate in the program, despite past efforts to include them. This bill would legitimize their participation, providing an additional benefit at no cost to the state, since contributions come from the volunteers or their fire districts. Passing this bill would show appreciation for their service and help strengthen the volunteer fire force across Washington.

Persons Testifying: PRO: Arnold Baker, Chelan County Fire District 5; Jerry Pettit, WA St Fire Fighters' Association (Volunteers).

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