

HOUSE BILL REPORT

HB 2934

As Reported by House Committee On: Appropriations

Title: An act relating to the retirement allowance of a member who is killed in the course of employment.

Brief Description: Determining the retirement allowance of a member who is killed in the course of employment.

Sponsors: Representatives Simpson, Priest, Conway, Hinkle, Williams, Ericks, Sells, Rodne, McDonald, Kilmer and Green; by request of LEOFF Plan 2 Retirement Board.

Brief History:

Committee Activity:

Appropriations: 1/25/06, 1/31/06 [DPS].

Brief Summary of Substitute Bill

- Reimburses the cost of Health Care Authority insurance premiums for surviving spouses and dependents of members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) killed in the course of employment.
- Extends the availability of Health Care Authority insurance to survivors of all LEOFF 2 members killed in the line of duty prior to January 1, 1998.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Pearson, Priest, Schual-Berke, P. Sullivan, Talcott and Walsh.

Staff: David Pringle (786-7310).

Background:

Retired or disabled employees of the state, school districts, and participating political subdivisions may purchase health care benefits from the Public Employees' Benefits Board (PEBB), administered by the Health Care Authority (HCA). This coverage is purchased at full cost based on the risk pool that the participants belong to, and includes administrative costs for each participant. Participants eligible for Medicare are placed in one risk pool, and all other retired or disabled participants are placed in a risk pool along with active employees. Groups are charged based on their per capita costs incurred by the risk pool they belong to, minus an explicit subsidy in the case of Medicare-eligible participants.

The 2001 Legislature enacted Engrossed Substitute House Bill 1371, which enabled surviving spouses of emergency service personnel killed in the line of duty on or after January 1, 1998, to purchase health care benefits from the PEBB. "Emergency service personnel" for this purpose includes fire fighter and law enforcement members of the Law Enforcement Officers' and Fire Fighters' Retirement System and the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System. The cost of the insurance is paid by the surviving spouses and dependent children.

Summary of Substitute Bill:

The retirement allowance paid to survivors of all LEOFF 2 members killed in the course of employment includes reimbursement for the cost of participating in a PEBB health insurance plan, with coverage determined by PEBB rules. The survivors of members killed in the line of duty prior to January 1, 1998, as well as on or after January 1, 1998, are eligible to participate in PEBB health insurance plans.

There is no contractual right to reimbursement for the health care insurance costs, and the Legislature reserves the right to amend or repeal this act for future reimbursements.

Substitute Bill Compared to Original Bill:

The substitute bill clarifies that eligibility for the PEBB insurance benefits reimbursed under the bill is governed by PEBB rules.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This issue developed over the first few years of LEOFF 2 Board operations. The gaps in the plan have been explored, and many survivors were left without even the chance to purchase coverage. Since 1998 they have at least been able to purchase coverage, and the Board thought this particular benefit should be part of the retirement fund's responsibility. On rare occasions, we experience losses of our colleagues and see the impact

on their families - along with the terrible personal losses. We want to relieve some of the burdens on these families. My husband Patrick Mahr was killed in the line of duty. The existing line of duty death benefits do not take care of the medical benefit needs of the families left behind. My son got sick on the same day that my husband was killed, vomiting blood. I only had COBRA coverage after the end of that month, or I could have chosen coverage through PEBB at full cost, which was \$700 per month for our family. There are families of deceased officers that cannot afford to get that insurance now, even if it is available.

Testimony Against: None.

Persons Testifying: Steve Nelsen, Law Enforcement Officers and Firefighters Retirement System Plan 2 Board; Kelly Fox, Washington State Council of Fire Fighters; Renee Mahr; and Bill Hanson.

Persons Signed In To Testify But Not Testifying: None.