

HOUSE BILL REPORT

HB 2398

As Passed Legislature

Title: An act relating to the volunteer fire fighters' relief and pension fund.

Brief Description: Revising provisions for the volunteer fire fighters' relief and pension fund.

Sponsor(s): Representatives Fraser, Ballard, Wang, Bowman, Carlson, Sheldon, Rasmussen, Casada, J. Kohl and Morton; by request of Board for Volunteer Fire Fighters.

Brief History:

Reported by House Committee on:
Appropriations, February 4, 1992, DP;
Passed House, February 13, 1992, 96-0;
Amended by Senate;
Senate receded;
Passed Legislature.

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *Do pass.* Signed by 25 members:
Representatives Locke, Chair; Inslee, Vice Chair; Spanel,
Vice Chair; Silver, Ranking Minority Member; Morton,
Assistant Ranking Minority Member; Appelwick; Belcher;
Bowman; Braddock; Brekke; Carlson; Dorn; Fuhrman; Hine;
Lisk; Mielke; Nealey; Peery; Pruitt; D. Sommers; H. Sommers;
Sprenkle; Vance; Wang; and Wineberry.

Staff: Beth Redfield (786-7130).

Background: The Volunteer Fire Fighters' Pension Plan was created in 1945 to provide an incentive to keep volunteer fire fighters active for longer periods of time. Currently, an estimated 12,000 fire fighters participate in the plan. Fees paid by municipalities on behalf of participants have never been increased, fees paid by members of the pension plan have not increased since 1973. Pension payments to volunteer fire fighters have not increased since 1981.

In the spring of 1991, the Legislature adopted House Bill 1058 concerning the distribution of interest earnings of funds managed by the state treasurer and the state Investment Board. The bill amended the chapter of the

Revised Code of Washington dealing with the volunteer fire fighters' pension and relief fund (41.24.030) and inadvertently deleted the paragraph creating the administrative fund. The administrative fund may be used only after appropriation, and may be used only for the operating expenses of the pension and administrative funds.

Summary of Bill: HB 2398 increases annual contributions to the volunteer fire fighters' pension and relief fund by municipalities and volunteer fire fighters and increases the maximum monthly pension and corresponding smaller pensions paid to retired volunteer fire fighters.

Annual municipal contributions on behalf of members increase from \$10 to \$30. Annual member contributions increase from \$20 to \$30. The formula for determining monthly pensions is revised from \$25 plus \$7 for each annual fee paid to \$25 plus \$8 for each annual fee paid. The maximum monthly pension increases from \$200 to \$225.

The bill also reestablishes the administrative fund.

Fiscal Note: Available.

Effective Date: July 1, 1992.

Testimony For: The pension plan is an important means for retaining volunteer fire fighters. The increased contributions are sufficient to maintain the fund as a fully funded retirement system.

Testimony Against: None.

Witnesses: Representative Karen Fraser, 22nd District; Joe Faubion, Board for Volunteer Firemen; and Gerald Allard, State Actuary.