

HOUSE BILL REPORT

HB 2216

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to industrial insurance payments.

Brief Description: Changing provisions relating to industrial insurance death benefits for surviving spouses.

Sponsor(s): Representatives Jones, Lisk, Heavey and Vance.

Brief History:

Reported by House Committee on:
Commerce & Labor, June 17, 1991, DP.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *Do pass.* Signed by 8 members:
Representatives Heavey, Chair; Lisk, Assistant Ranking
Minority Member; Franklin; Jones; R. King; O'Brien;
Prentice; and Vance.

Staff: Chris Cordes (786-7117).

Background: The qualified surviving spouse of a deceased injured worker receives monthly industrial insurance benefits according to a statutory formula. If the spouse remarries, the monthly pension ceases at the end of the month in which the marriage occurred, but resumes if the new marriage ends because of death or court decree. However, the spouse may choose to settle his or her remaining benefit claim by accepting a lump sum amount.

The amount of the remarriage lump sum option is determined by the schedule in effect on the date of the worker's injury. The schedule was revised during the 1991 regular legislative session for cases involving injuries occurring on or after July 28, 1991. In these cases, the spouse may choose a lump sum amount equal to 24 times the monthly pension amount (or 50 percent of the annuity value of the remaining benefits, whichever is less). Several other schedules are in effect for various injury dates. For example, for injuries occurring between July 1, 1971, and July 28, 1991, the amount is \$7,500 (or 50 percent of the annuity value of the remaining benefits, whichever is less).

Summary of Bill: The industrial insurance remarriage benefit option available to a deceased injured worker's surviving spouse who remarries before July 1, 1991, will be determined by the schedule in effect on the date of remarriage, rather than the date of the worker's injury. With this change, the new benefit schedule adopted during the 1991 regular legislative session that created a lump sum option equal to 24 times the monthly pension amount, or 50 percent of the annuity value of the remaining benefits, whichever is less, will apply to remarriages that take place after July 1, 1991.

Fiscal Note: Available.

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

Testimony For: Under the current law, no one will be able to take advantage of the new remarriage option for a long time -- possibly several years. The new remarriage option should help save money for the state industrial insurance fund in the long run. The law should be changed to allow spouses to choose this new option immediately. However, there are concerns about disregarding the traditional way of determining benefits using the date of injury as the "trigger" event and also concerns about the constitutionality of applying benefit changes retrospectively.

Testimony Against: None.

Witnesses: Representative Evan Jones, prime sponsor; Mike Watson, Department of Labor and Industries; and Clif Finch, Association of Washington Business (not opposed, but with concerns).