

HOUSE BILL REPORT

HB 1084

As Reported By House Committee On:

Appropriations

Title: An act relating to death benefits under the law enforcement officers' and fire fighters' retirement system.

Brief Description: Providing death benefits under LEOFF.

Sponsors: Representatives Sehlin, Carlson, Sommers, Cooke, Dellwo, Campbell, L. Thomas, Kessler, Valle, Costa, Cody, Veloria, Mastin, Thibaudeau, Kremen, Mason, Scott, Morris, Honeyford and Appelwick.

Brief History:

Committee Activity:

Appropriations: 1/25/95, 2/23/95 [DPS].

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 29 members: Representatives Silver, Chairman; Clements, Vice Chairman; Huff, Vice Chairman; Pelesky, Vice Chairman; Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Beeksma; Brumsickle; Carlson; Chappell; Cooke; Crouse; Dellwo; Foreman; Hargrove; Hickel; Jacobsen; Lambert; Lisk; McMorris; Poulsen; Reams; Rust; Sehlin; Sheahan; Talcott; Thibaudeau and Wolfe.

Staff: Dan Chang (786-7191).

Background: Currently, LEOFF II members with 10 or more years of service who leave employment before reaching retirement age or retire under disability, can request a 150 percent refund of their accumulated contributions. Receiving a 150 percent refund assumes the member is receiving the complete amount of his or her contribution plus a portion of the employer's contribution.

In the case of the death of a member with 10 or more years of service, the members surviving beneficiaries can elect to receive refunds of the member's accumulated retirement contributions; however, the beneficiaries can only receive 100 percent of the accumulated contribution.

If a member leaves employment and withdraws his or her contribution, then later wishes to restore the withdrawn service credit after becoming employed once again by a retirement system employer, the member can replace any withdrawn contributions plus interest within 5 years. After the 5 year deadline, members can restore withdrawn contributions at their estimated present value, a much larger sum.

Summary of Substitute Bill: The death benefits provisions are changed to allow a surviving spouse or eligible children of a LEOFF member who dies with either 10 years of service, or retirement eligibility, to receive a 150 percent refund on accumulated contributions. To qualify for the increased refund, the death of the member must have occurred on or after July 25, 1993.

A technical change is made to the refund rule applicable to members with 10 or more years of service who have restored withdrawn contributions after the 5 year deadline. Such members are only eligible to receive 100 percent on amounts paid to restore service credit.

Substitute Bill Compared to Original Bill: A technical amendment corrects a statutory citation.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: HB 1084 would make a needed correction to a law passed two years ago.

Testimony Against: None.

Testified: Mike Patrick, Washington State County of Police Officers; Howard Vietzke, State Council of Firefighters; and Patrick Newport, Office of the Forecast Council.