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## Appropriations Committee

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### HB 2395

**Brief Description:** Providing a death benefit for certain state employees.

**Sponsors:** Representatives Doumit, Alexander, Cooper, Conway, Delvin, Dickerson, Ogden, Rockefeller, Linville, Talcott, Hunt, Lovick, Lysen, Kagi, McIntire, Haigh, Simpson, Chase and Jackley; by request of Joint Committee on Pension Policy.

#### Brief Summary of Bill

- Provides a \$150,000 death benefit to members of the Teachers' Retirement Systems, Plans 1, 2, and 3, the Public Employees' Retirement System, Plans 1, 2, and 3, and the School Employees' Retirement Systems, Plans 2 and 3, who die as a result of injuries sustained in the course of their employment.

**Hearing Date:** 1/28/02

**Staff:** Andrea Hardy (786-7349).

#### Background:

When a member of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), or the School Employees' Retirement System (SERS) dies prior to retirement, their family or estate generally receives a death benefit in the form of the member's earned retirement benefit or a lump-sum distribution of the member's retirement contributions plus interest. The family may also receive life insurance benefits, social security benefits, and, if the death is the result of a job related injury, benefits under the state's industrial insurance (workers' compensation) laws.

In 1996 the Legislature passed ESSSB 5322 (Chapter 226, Laws of 1996) providing an additional \$150,000 duty-related death benefit to survivors of members of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) and Washington State Patrol Retirement System (WSPRS) survivors. The duty-related death benefit is paid only where death occurs as a result of injuries sustained in the course of employment. In 1998 SB 5217 (Chapter 151, Laws of 1998) expanded this benefit to include volunteer fire fighters and reserve police officers.

The state's 2000 Supplemental Budget and 2001-2003 Operating Budget established a similar

\$150,000 death benefit if an employee of either the state or a higher education institution, or an employee of common schools is killed in the course of employment. Because this benefit is not codified in statute, it is a temporary benefit that lasts only for the duration of the budget. Further, the payment of a death benefit, in its current form, is treated as a sundry (miscellaneous) claim.

The determination of eligibility for the death benefit is made by the Department of Labor and Industries (L&I) under industrial insurance criteria. Once eligibility is established, L&I notifies the Department of General Administration which, in turn, reports to the Legislature on sundry claims; the Legislature then funds the claims it agrees to be valid in the next operating budget bill.

**Summary of Bill:**

A \$150,000 death benefit is provided to survivors of members of TRS 1, 2, or 3, PERS 1, 2, or 3, or SERS 2 or 3, who die as a result of injuries sustained in the course of employment.

The determination of eligibility for the benefit is made by L&I under industrial insurance criteria, and L&I notifies the Department of Retirement Systems (DRS) if the employee's estate is determined to be eligible for the death benefit. The DRS pays all funds out of the appropriate retirement fund.

**Appropriation:** None.

**Fiscal Note:** Requested on January 21, 2002.

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