

HOUSE BILL REPORT

HB 2395

As Reported by House Committee On:
Appropriations

Title: An act relating to providing a death benefit for certain state employees.

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 History:

Committee Activity:

Appropriations: 1/28/02, 2/5/02 [DPS].

Brief Summary of Substitute 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.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 24 members: Representatives Sommers, Chair; Doumit, 1st Vice Chair; Fromhold, 2nd Vice Chair; Sehlin, Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cody, Cox, Dunshee, Grant, Kagi, Kenney, Kessler, Linville, Lisk, McIntire, Pearson, Pflug, Ruderman, Schual-Berke, Talcott and Tokuda.

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, the member's 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 E2SSB 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 Substitute Bill:

Employees of state agencies, institutions of higher education, and the common school system of the state will receive a \$150,000 death benefit through their respective retirement systems if the death occurs as a result of injuries sustained in the course of employment. Employees of state agencies, institutions of higher education, and the common school system of the state who are not provided a death benefit through their retirement system will be provided the same death benefit, payable through sundry claims.

Substitute Bill Compared to Original Bill:

The original bill provided the death benefit only to employees of state agencies, institutions of higher education, and the common school system of the state who were members of the state retirement systems.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Previously, when this was in the budget, it said "school employees." That meant that any school employee, whether temporary or substitute, would qualify for the death benefit. It changes things to say that, to be covered by this benefit, you must be a member of the retirement systems. For example, in the case of a substitute teacher who may not qualify or opt to become a member of the retirement systems, that teacher would not qualify for this benefit.

Testimony Against: None.

Testified: (In support) Ron Romer (on behalf of Karen Davis and Lynn McKinnon), Washington Public Employees Association and Washington Education Association.

(In support, with concerns) Randy Dorn (on behalf of Doug Nelson), Public School Employees.