

SENATE BILL REPORT

SHB 3057

As Reported By Senate Committee On:
Commerce & Trade, February 26, 2004

Title: An act relating to conforming the social security offset provisions of Title 51 RCW to the modified federal social security retirement age.

Brief Description: Conforming the social security offset provisions of Title 51 RCW to the modified federal social security retirement age and continuing to allow the state to implement an offset otherwise imposed by the federal government.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Wood, McCoy, Kenney, Condotta and Chase; by request of Department of Labor & Industries).

Brief History:

Committee Activity: Commerce & Trade: 2/26/04 [DP].

SENATE COMMITTEE ON COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; Franklin, Keiser and Mulliken.

Staff: Jennifer Strus (786-7316)

Background: In 1956 when Congress enacted the federal social security disability program, it included provisions to coordinate benefits received under more than one disability program. Social security disability benefits were reduced by the full amount of state or federal workers' compensation benefits that were also being paid to the individual. This offset provision was repealed in 1958, but reenacted again in 1965 after Congress heard testimony that the duplication of disability benefits led to workers receiving more in disability payments than they had been receiving in take-home pay and that continuing the duplication of benefits might erode the states' workers' compensation programs.

The 1965 social security disability offset provisions include a "reverse offset" so that the benefit reduction may be taken by a state's workers' compensation program instead of by the federal disability program. Washington permitted this reverse offset beginning in 1975. When Washington's law was enacted, it applied to persons under age 62 who were receiving social security disability payments. In 1982 this limit was raised to age 65 after federal law changed the age limit for social security disability payments. In 1986, the Legislature required the reverse offset to continue for workers who had reached age 65 and were receiving both federal retirement benefits and time-loss or pension benefits. Under federal law, the age of retirement is no longer a predetermined age but depends instead on the year in which the individual attains a specified age.

Summary of Bill: The age limit of 65 years for the disability reverse offset provision is deleted. The department must reduce industrial insurance time-loss or pensions benefits to account for social security disability benefits received by a worker who becomes 65 years of age on or after the bill's effective date.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This conforms state law to federal law.

Testimony Against: None.

Testified: PRO: Suzanne Majer, Vickie Kennedy, Department of Labor and Industries.