

HOUSE BILL REPORT

HB 1319

As Reported by House Committee On: Appropriations

Title: An act relating to survivor benefits for ex spouses in the law enforcement officers' and fire fighters' retirement system, plan 1.

Brief Description: Survivor benefits for ex spouses in the law enforcement officers' and fire fighters' retirement system, plan 1.

Sponsors: Representatives Conway, Fromhold, Crouse, Simpson, Upthegrove and Campbell; by request of Select Committee on Pension Policy.

Brief History:

Committee Activity:

Appropriations: 2/9/05, 2/16/05 [DP].

Brief Summary of Bill

- Continues the portion of a Law Enforcement Officers' and Fire Fighters' Plan 1 benefit that was granted to a divorcing spouse for the life of that spouse, rather than ending the benefit when the member dies.
- Applies the continuation benefit retroactively, so that divided benefit payments resume for ex-spouses whose divided benefits stopped before the effective date of the act.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 28 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey, Buri, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Pearson, Priest, Schual-Berke, Talcott and Walsh.

Staff: David Pringle (786-7310).

Background:

The Law Enforcement Officers' and Fire Fighters Retirement System Plan 1 (LEOFF 1) provides retirement benefits to full-time, fully-compensated law enforcement officers and fire fighters employed by the state, cities, counties, and special districts and who were first

employed by the state before October 1, 1977. The LEOFF 1 provides comprehensive pension, disability, and medical benefits to about 8,000 retirees and 1,000 active members.

The spouse of a retiree of the LEOFF 1 is eligible, upon the retiree's death, to receive a survivor benefit for life equal to the retirement allowance received by the retiree. In order to be eligible for this automatic benefit, the spouse must have been married to the LEOFF 1 member for one year prior to retirement. An ex-spouse of a LEOFF 1 member is not eligible for this survivor benefit except in the rare situation where the ex-spouse had been married to the LEOFF 1 member for at least 30 years, including at least 20 years prior to retirement, and where there was a court order prior to 1980 providing the survivor benefit to the ex-spouse.

A person who divorces a LEOFF 1 member may be awarded a portion of the member's benefit, but only for the life of the member. When the member dies, the portion of the member's benefit being paid to the ex-spouse ceases. There is a narrow exception to this rule for ex-spouses who divorced an active LEOFF 1 member after January 1, 1997, and before July 1, 2003, and specified in their court-approved property settlement that the divorcing spouse is also entitled to a portion of any spousal survivor benefit the member receives in association with a future marriage.

Summary of Bill:

The ex-spouse of a LEOFF 1 member who was awarded part of the member's monthly benefit payment in a divorce decree will continue to receive that portion of the member's benefit for the life of the ex-spouse as if the member were still alive. Divided benefits that have ceased being paid to the ex-spouse of a deceased LEOFF 1 member resume, but will not be adjusted by the LEOFF 1 cost-of-living adjustment for that period that they were not being paid, nor be paid retroactively for the period of nonpayment under prior law. The change in benefits applies retroactively.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: At present when the member dies, the former spouse loses the pension, and this creates a hardship for some people, mostly women. These are typically small, partial pensions, but there have been several instances where ex-spouses have been forced from their homes when these funds were cut off. Many are not even eligible for social security benefits. Past bills have provided this in very narrow circumstances, this bill would allow the other ex-spouses to qualify.

(With concerns) This is a worthy policy objective, but we are concerned about the fiscal implications of adding additional liability to the LEOFF Plan 1. This is one of several proposals that could impact the fund and require the contributions made to the plan resume. Each time the surplus is reduced, the rates are going to go up further. The Legislature has faced high contribution rates for the LEOFF Plan 1, and could again in the future.

Testimony Against: None.

Persons Testifying: (In support) Dick Warbrouck, Retired Fire Fighters of Washington.

(With concerns) Sophia Byrd, Association of Counties; and Jim Justin, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.