

HOUSE BILL REPORT

SB 5135

As Reported by House Committee On: Appropriations

Title: An act relating to volunteer fire fighters' and reserve officers' relief and pensions.

Brief Description: Addressing volunteer fire fighters' and reserve officers' relief and pensions.

Sponsors: Senators Kastama, Mulliken, Zarelli, Doumit and Rasmussen.

Brief History:

Committee Activity:

Appropriations: 3/22/05, 3/23/05 [DP].

Brief Summary of Bill

- Prohibits members of the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (Volunteer Fire System) from earning credit in both the Volunteer Fire System and the Public Employees' Retirement System for the same period of service.
- Increases the annual fee paid by employers for relief benefits to the Volunteer Fire System from \$10 to \$30 per volunteer.
- Allows the Washington State Board for Volunteer Fire Fighters and Reserve Officers to recover benefit costs when injured volunteers recover damages from a third party.

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; Armstrong, Bailey, Buri, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Pearson, Priest, Schual-Berke, Talcott and Walsh.

Staff: David Pringle (786-7310).

Background:

The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (Volunteer Fire System) provides relief and pension benefits for members of regularly organized volunteer fire

departments and law enforcement agencies. Members who serve and make monthly retirement contributions for a period of at least 25 years are eligible to receive a pension benefit at age 65. Relief benefits include payment of medical expenses and disability pensions for members injured in the line of duty and payment of burial expenses and survivor benefits for members killed in the line of duty.

Employers are required to participate in the death, disability, and medical benefit plans offered by the Volunteer Fire System, but participation in the pension component is optional. About 18,000 members are covered by the death, disability, and medical benefits, and 12,000 members are covered by the pension benefits.

The definition of "fire fighter" in the Volunteer Fire System excludes full time paid fire fighters eligible to participate in the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF). Paid firefighters that are less than full-time, and consequently ineligible to participate in LEOFF, may instead be eligible to participate in Public Employees Retirement System (PERS).

Volunteer Fire System benefits are administered by the Washington State Board for Volunteer Fire Fighters and Reserve Officers (Board) and paid out of the Volunteer Fire System Fund (Fund). Revenues to the Fund come from: a 40 percent share of the premium tax paid on fire insurance policies issued within the state; contributions from volunteer fire fighters, emergency workers, and reserve officers; contributions from participating municipal corporations and emergency service districts; and returns on the investment of moneys in the Fund.

Summary of Bill:

The definitions of "fire fighter" and "emergency worker" are clarified in order to prevent part-time fire fighters and emergency workers from earning a benefit from both PERS and the Volunteer Fire System for the same service. The annual fee paid by participating municipal corporations to fund relief benefits for volunteer fire fighters is increased from \$10 per member to \$30 per member. The Board is authorized to seek recovery of its benefit costs if a volunteer is injured and sues a third party for damages.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: There are three changes that protect the integrity of the Volunteer Fire System. We provide a small pension for our volunteers and this increase in fees will help keep the plan well-funded. Current law allows some people to earn two pensions for the same

service which they should not be able to do, but this change still allows individuals to earn two pensions if they do two different jobs, say for two different fire districts or counties, one qualifying for PERS and one qualifying for Volunteer Fire System coverage. Please allow us to collect these extra fees from participating employers to keep the system strong.

Testimony Against: None.

Persons Testifying: Ryan Spiller, Washington Fire Commissioners.

Persons Signed In To Testify But Not Testifying: None.