

# SENATE BILL REPORT

## SHB 3137

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As Reported By Senate Committee On:  
Transportation, February 27, 2006

**Title:** An act relating to benefits for surviving spouses of disabled Washington state patrol officers.

**Brief Description:** Determining benefits for surviving spouses of disabled Washington state patrol officers.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives Lovick, Curtis, Clements, Hunt, Grant, Ericks, Conway, Morrell, Simpson and Kenney; by request of Department of Retirement Systems).

**Brief History:** Passed House: 2/13/06, 98-0.

**Committee Activity:** Transportation: 2/24/06, 2/27/06 [DP].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Poulsen, Vice Chair; Benson, Ranking Minority Member; Benton, Berkey, Eide, Esser, Finkbeiner, Mulliken, Oke, Sheldon, Spanel, Swecker and Weinstein.

**Staff:** Janice Baumgardt (786-7319)

**Background:** The Washington State Patrol Retirement System (WSPRS) covers all commissioned officers of the Washington State Patrol (WSP).

For members who joined the WSPRS prior to January 1, 2003, the survivor allowance for post-retirement deaths is the lesser of 50 percent of the member's average final salary or the member's retirement allowance. In many cases, the survivor benefit will be less than the member's benefit at time of death, because it is based on a salary that may be 20 or more years old, and the member's benefit has been annually increased many times since. This basic survivor benefit for retired members does not require members to reduce their benefit; however, a member has the option of taking an actuarial reduction, and having the survivor receive full continuation of that reduced benefit when the member dies.

Members of the WSPRS judged by the Chief to be disabled while performing line duties may be placed on disability leave for up to six months, and then placed on disability retirement status. A member on disability retirement status is entitled to receive a benefit of one-half of the existing wage during the time the disability continues in effect. When the existing wage for a position is increased during a disabled member's disability retirement, the disability benefit increases as well.

The surviving spouse of a disabled member of WSPRS is eligible for a benefit equal to the lesser of 50 percent of the member's average final salary or the member's earned retirement allowance. Similarly to the survivor benefit for members that retire, average final salary has been interpreted to mean the member's average salary at the time the member left active duty, so the salary may be 20 or more years old by the time the disability survivor benefit is calculated. Because a disabled member may not have earned a retirement benefit based on an entire career of employment, it is more likely that his or her survivor would receive a benefit based on 50 percent of the member's average final salary.

In civil court actions claiming a breach of pension-related benefits, such as improper calculation of benefits, a three-year statute of limitations applies. The statute of limitations bars actions against the state for failure to pay pension benefits if the beneficiary fails to begin a legal challenge within three years.

The Department of Retirement Systems (DRS) is empowered at any time to correct administrative errors in retirement system member files to ensure that determinations, such as plan eligibility and benefit calculations, made for members and beneficiaries are correct.

In June of 2005, DRS settled an individual lawsuit by increasing the monthly survivor allowance of a survivor of a disabled WSPRS member from 50 percent of the disabled member's average final salary at time of disablement, to 50 percent of the equivalent current salary over the two years prior to the disabled member's death.

**Summary of Bill:** The average final salary, for purposes of calculating the survivor benefit for a member who entered WSPRS prior to January 1, 2003, and became disabled, is the average monthly salary received by active members of the WSP during the two years prior to the death of the disabled member.

The average final salary, for purposes of calculating the survivor benefit for a member who entered WSPRS on or after January 1, 2003, and became disabled, is the average monthly salary received by active members of the WSP during the five years prior to the death of the disabled member.

The cost of the increased contribution rates necessary to pay for the increased survivor benefits resulting from the change in definition of average final salary is, for members disabled prior to July 1, 2006, paid for solely by the employer.

**Bill Compared to Original Bill:** DoubleClickHereAndTypeText

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** It's the right thing to do. When a disabled officer dies, the survivor's benefit can be significantly lower than the disability payment because the retirement allowance is based upon the member's salary at the time of disability which can be many years prior to death.

**Testimony Against:** None.

**Who Testified:** PRO: Captain Jeff Devere, Washington State Patrol; Dave Nelson, Department of Retirement Systems; Davor Gjurasic, Washington State Patrol Troopers Association