

SENATE BILL REPORT

SB 5177

As Reported By Senate Committee On:
Ways & Means, February 7, 2007

Title: An act relating to death benefits for public employees.

Brief Description: Determining death benefits for public employees.

Sponsors: Senators Fraser, Schoesler, Pridemore, Fairley, McAuliffe, Jacobsen, Prentice, Keiser, Franklin, Rasmussen and Roach; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board.

Brief History:

Committee Activity: Ways & Means: 1/18/07, 2/07/07 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Erik Sund (786-7454)

Background: Survivors of public employees who die as a result of injuries sustained in the course of employment are eligible to receive a lump sum benefit of \$150,000. This benefit is available in the Public Employees', Teachers', School Employees', Public Safety Employees', Washington State Patrol, Law Enforcement Officers' and Fire Fighters', and Judicial Retirement Systems (PERS, TRS, SERS, PSERS, WSPRS, LEOFF, and JRS). The benefit is also available to survivors of members of the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS), the higher education retirement plans, and state, school district, and higher education employees who are not members of a state retirement system. In the case of members who do not belong to a state retirement system, the \$150,000 death benefit is paid from the state general fund. LEOFF 2 and VFFRORPS death benefits are also payable for deaths resulting from a duty-related illness. VFFRORPS provides an additional \$2,000 duty death benefit.

In addition to the \$150,000 lump sum benefit, survivors of members of the state retirement systems are generally eligible for either a refund of the member's pension contributions, plus interest, or a retirement allowance.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Survivors may also be eligible for a workers' compensation death benefit from the Department of Labor and Industries, a Social Security death benefit, and, in the case of public safety officers, a federal lump sum death benefit under the Public Safety Officers Benefit Act of 1972.

Summary of Bill: Eligibility for the \$150,000 death benefit payable in the various state retirement systems, the higher education retirement plans, and to state, school district, and higher education employees who do not belong to a state retirement system is extended to survivors of employees who die as a result of an occupational disease or duty-related illness. The amount of the lump sum death benefit in VFFRORPS is \$152,000.

The lump sum death benefits are indexed to inflation as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers in the Seattle-Tacoma-Bremerton area (Seattle CPI-W). The lump sum death benefits are increased annually by the cumulative rate of growth in the Seattle CPI-W, with a maximum annual increase of 3 percent. The lump sum death benefits may not be reduced below their starting values as a result of deflation.

Appropriation: None.

Fiscal Note: Requested on January 12, 2007.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2007.

Staff Summary of Public Testimony: PRO: This bill will improve the benefits available to survivors of public employees who are killed in the line of duty.

Persons Testifying: PRO: Amber Lewis, Washington Federation of State Employees; Steve Nelson, LEOFF Plan 2 Retirement Board.