

SENATE BILL REPORT

HB 1212

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, March 30, 2009

Title: An act relating to industrial insurance death benefits for the surviving spouses of members of the law enforcement officers' and firefighters' retirement system and the state patrol retirement system.

Brief Description: Regarding industrial insurance death benefits for the surviving spouses of members of the law enforcement officers' and firefighters' retirement system and the state patrol retirement system.

Sponsors: Representatives Kirby, Green, Williams, Roberts, Ormsby, Appleton and Wood.

Brief History: Passed House: 3/05/09, 78-19.

Committee Activity: Labor, Commerce & Consumer Protection: 3/17/09, 3/30/09 [DPA].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: Do pass as amended.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Holmquist, Ranking Minority Member; Franklin, Honeyford, King and Kline.

Staff: Ingrid Mungia (786-7423)

Background: Workers injured in the course of employment receive various industrial insurance benefits. If death results from the injury, the surviving spouse receives a monthly benefit ranging from 60 to 70 percent of the wages of the deceased worker. If a surviving spouse remarries, benefits are discontinued at the end of the month in which remarriage occurs. A surviving spouse who remarries may choose to receive a lump sum of 24 times the monthly rate, with some adjustments. If the surviving spouse does not choose to receive the lump sum and the remarriage ends in death, annulment, or dissolution, monthly benefits may be reinstated.

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System provides retirement and disability benefits to law enforcement officers and firefighters who entered eligible employment beginning in 1969. The Washington State Patrol (WSP) Retirement System provides retirement and disability benefits to commissioned officers of the WSP. In certain situations, a surviving spouse of a member who dies in the line of duty is eligible to

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receive retirement benefits. A surviving spouse continues to receive these retirement benefits if he or she remarries.

Summary of Bill (Recommended Amendments): Surviving spouses of members of the LEOFF Retirement System and the WSP Retirement System continue to receive industrial insurance death benefits for death resulting from a workplace injury monthly for life regardless of remarriage. This provision applies to remarriages entered into on or after the effective date of the act.

EFFECT OF CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Amendments): Requires the Workers' Compensation Advisory Committee to study issues relating to allowing a surviving spouse to continue to receive industrial insurance death benefits after remarriage. The committee must consider potential costs to the workers' compensation system as a whole and as it relates to providing this benefit to LEOFF members only. The committee must also study how other states administer their workers' compensation death benefits and ways to offset costs in this state. A report must be given to the Legislature by December 1, 2010.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill is designed to clear up an inconsistency in the distribution of death benefits. The LEOFF Retirement System, the WSP Retirement System, and all other pension plans provide death benefits regardless of remarriage. Most officers did not work long enough to be vested in the retirement system. Children may never have father figures because widows will lose benefits if they remarry. This bill will allow survivors to move on with their lives. It is important to know, as a police officer, that if I am killed in the line of duty, then my spouse will be taken care of even after remarriage. Families need to be able to support themselves and not rely on remarriage. There is a policy inconsistency. In the pension statute you receive benefits for life, even if your spouse dies. Four other states have eliminated the remarriage provision. As times change, policies need to change.

CON: The Department of Labor and Industries' (L&I) concern is that workers' compensation is not an accrued basis pension system. Rather, it provides wage replacement and medical aid. If the wage no longer needs to be replaced, then the obligation on the workers' compensation system ends.

OTHER: A study of the proposal would be an appropriate way to look at what other states are doing. It would also be good to look at the consequences this bill would bring. The policy concerns by L&I should be looked at before the law is changed.

Persons Testifying: PRO: Representative Kirby, prime sponsor; Jolin Lowry, spouse of a fallen officer; Rick Kieffer, Normandy Park Police; Stephen Mauer, Lakewood Police; Steve Nelson, LEOFF Plan 2 Retirement Board.

CON: Vicky Kennedy, L&I.

OTHER: Kris Tefft, Association of Washington Business.