

SENATE BILL REPORT

SB 5160

As Reported by Senate Committee On:
Ways & Means, February 25, 2011

Title: An act relating to increasing the duty-related death benefit for public employees.

Brief Description: Increasing the duty-related death benefit for public employees.

Sponsors: Senators Conway, Kohl-Welles, Schoesler, Murray, Hobbs, Rockefeller and Kilmer;
by request of Select Committee on Pension Policy.

Brief History:

Committee Activity: Ways & Means: 2/10/11, 2/25/11 [DP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Baumgartner, Brown, Conway, Fraser, Hatfield, Holmquist Newbry, Kastama, Keiser, Kohl-Welles, Pridemore, Regala, Rockefeller, Schoesler and Tom.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Baxter, Hewitt, Honeyford and Pflug.

Staff: Erik Sund (786-7454)

Background: The survivors of employees covered by many of the plans of the Washington retirement systems, as well as other state agency employees, are eligible for a \$150,000 lump-sum benefit in the event that the member dies as a result of injuries sustained in the course of employment. If the member belongs to the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), the School Employees' Retirement System (SERS), the Public Safety Employees Retirement System (PSERS), or the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS), then the benefit is paid from the plan. In 2009 the Legislature increased the lump-sum duty-related death benefit payable to survivors of members of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) and the Washington State Patrol Retirement System (WSPRS) to \$214,000 and indexed the benefit amount to inflation. If the individual was a state, school

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district, or higher education employee that was not a member of one of the retirement systems listed above, then a \$150,000 benefit is paid as a sundry claim.

Additional death benefits are available to survivors of state retirement system members. The spouse or dependents of an individual covered by Social Security may be eligible for a death benefit if they meet age, income, or other restrictions. The age eligibility for the Social Security death benefit is based on an age 65 eligibility for full benefits, and reduced benefits are available beginning at age 60. The size of the Social Security death benefit is dependent on the contributions the deceased made to Social Security during the member's career. Members of WSPRS and the majority of LEOFF members do not participate in Social Security. A Workers' Compensation death benefit may also be payable from the Department of Labor and Industries for death resulting from injury sustained in the course of employment.

Employees who meet the federal definition of public safety officers, including some members of LEOFF, WSPRS, PERS, and PSERS, are also eligible under the federal Public Safety Officers Benefit Act of 1976 for an inflation indexed lump-sum death benefit of approximately \$318,000 in 2010.

Summary of Bill: The lump-sum death benefit that is paid to survivors of state, school district, or higher education employees or members of PERS, TRS, SERS, PSERS, or VFFRORPS who die as a result of injuries sustained in the course of employment is increased from \$150,000 to \$214,000. The \$214,000 death benefit is payable from either the member's retirement plan to members of the Washington State Retirement Systems, or from sundry claims if the employee was not covered by one of the state retirement systems.

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: PRO: Though this legislation does not provide protection for the death benefit against inflation, it is an important step forward in uniformity and equity among the state retirement systems. Billy Reynolds died in a storm on January 17th. He was a month away from retirement after a career of public service. This benefit would have helped his family with the financial hardships they will face. Although this bill would not apply to him, it would be a nice gesture and would help recognize that public employees sometimes lose their lives in public service.

Persons Testifying: PRO: Leslie Main, Washington State School Retirees; Matt Zuvich, Washington Federation of State Employees.