

HOUSE BILL REPORT

HB 1194

As Reported by House Committee On:

Labor
Appropriations

Title: An act relating to the death benefits of a surviving spouse of a member of the law enforcement officers' and firefighters' retirement system or the state patrol retirement system.

Brief Description: Addressing the death benefits of a surviving spouse of a member of the law enforcement officers' and firefighters' retirement system or the state patrol retirement system.

Sponsors: Representatives Kirby, Holy, Van De Wege, Hayes, Stokesbary, Fitzgibbon and Bergquist; by request of LEOFF Plan 2 Retirement Board.

Brief History:

Committee Activity:

Labor: 1/27/15, 2/10/15 [DPS];
Appropriations: 2/26/15, 2/27/15 [DPS(LAB)].

Brief Summary of Substitute Bill

- Provides that surviving spouses of members of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) and Washington State Patrol Retirement System (WSPRS) whose industrial insurance benefits have terminated or would terminate on remarriage are entitled to the same benefits had they not remarried, payable from the LEOFF or WSPRS, as appropriate.

HOUSE COMMITTEE ON LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Sells, Chair; Gregerson, Vice Chair; Manweller, Ranking Minority Member; G. Hunt, Assistant Ranking Minority Member; McCabe, Moeller and Ormsby.

Staff: Joan Elgee (786-7106).

Background:

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.

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) provides retirement and disability benefits to law enforcement officers and firefighters. Similarly the Washington State Patrol Retirement System (WSPRS) provides retirement and disability benefits to commissioned officers of the Washington State Patrol.

Workers injured in the course of employment are entitled to various industrial insurance benefits. If death results from the injury, the surviving spouse receives a monthly benefit of 60 to 70 percent (depending on the number of children) of the wages of the deceased spouse. If the surviving spouse remarries, benefits are discontinued at the end of the month in which the remarriage occurs. Payments to the children continue. However, upon remarriage, the spouse may choose to receive a lump sum of 24 times the monthly rate, or to have the monthly payments suspended and then resume if the remarriage is terminated by death or dissolution. In 2010 legislation was enacted providing that the lump sum option for surviving spouses of a member of the LEOFF and the WSPRS is 36 times the monthly rate. Only members of LEOFF Plan 2 are eligible for industrial insurance.

Summary of Substitute Bill:

If a surviving spouse of a member of the LEOFF or the WSPRS who died as a result of the injury no longer receives industrial insurance benefits because of remarriage, the surviving spouse is entitled to an amount equal to the industrial insurance benefit they would have received but for the remarriage, payable from the LEOFF or WSPRS, as appropriate. Payments resume for surviving spouses who remarried prior to the effective date, and if the surviving spouse received a lump sum payment, monthly payments are actuarially reduced. The amounts paid to spouses for whom payments resume are also payable from the LEOFF or WSPRS, as appropriate.

Substitute Bill Compared to Original Bill:

The substitute bill provides that the payments for remarried spouses are paid from the LEOFF or the WSPRS, as appropriate, rather than from the workers' compensation system.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The House of Representatives has passed this bill a couple of times. The LEOFF and the industrial insurance systems are inconsistent. Remarriage does not end benefits under the LEOFF system or under private disability plans. The industrial insurance system is

weird, paternalistic, and sexist. It's disrespectful to take benefits away when surviving spouses have been able to move on and find love again. If you do find someone, you have to choose between getting married or your income. It's not true that widows suddenly become rich. Widows need the money. Some widows have been out of the workforce. A surviving spouse should not have to select a new spouse based on finances. It's paralyzing to think about finances. The current law is anti-family. It also applies to common-law marriages. Fire fighters and law enforcement officers are already treated differently. We need to take care of the families. The benefits are deserved because the spouse gave a life. Do we save money by telling 36 surviving spouses they cannot get benefits?

(With concerns) There are policy concerns that do not diminish the tragedy. Industrial insurance is a wage replacement system, not a retirement system. There is a presumption that when a spouse remarries, the earning capacity resumes. It is poor industrial insurance policy to create a benefit for only one group. There are cost concerns for cities and counties. Industrial insurance premiums for police officers went up by 14 percent. Increased costs for cities impacts the ability to provide services.

(Opposed) None.

Persons Testifying: (In support) Representative Kirby, prime sponsor; Cynthia Fajardo, Pierce County Deputy Independent Guild; Renee Maher, Council of Metropolitan Police and Sheriffs; Chandra Brady, Olympia Police Department; Tamara Bernard; Vanessa Walsh; Steve Nelson, Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 Retirement Board; Rhea Marshall; Vanessa Walsh; and Jolin Lowry.

(With concerns) Kris Tefft, Washington Self-Insurers Association; Candace Bock, Association of Washington Cities; and Josh Weiss, Association of Washington Counties.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Labor be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Parker, Assistant Ranking Minority Member; Carlyle, Cody, Dunshee, Haler, Hansen, Hudgins, G. Hunt, S. Hunt, Jinkins, Kagi, Lytton, Pettigrew, Sawyer, Senn, Springer, Stokesbary, Sullivan, Tharinger and Walkinshaw.

Minority Report: Do not pass. Signed by 10 members: Representatives Chandler, Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Condotta, Dent, MacEwen, Magendanz, Schmick, Taylor and Van Werven.

Minority Report: Without recommendation. Signed by 1 member: Representative Fagan.

Staff: David Pringle (786-7310).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Labor:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The Law Enforcement Officers and Fire Fighters Plan 2 Board voted yesterday to endorse the substitute bill that was passed out of the Labor Committee.

(Opposed) None.

Persons Testifying: Steve Nelsen, Law Enforcement Officers and Fire Fighters Plan 2 Board.

Persons Signed In To Testify But Not Testifying: None.