

HOUSE BILL REPORT

SB 6263

As Reported by House Committee On: Appropriations

Title: An act relating to benefits for certain retirement system members who die or become disabled in the course of providing emergency management services.

Brief Description: Providing benefits for certain retirement system members who die or become disabled in the course of providing emergency management services.

Sponsors: Senators Warnick, Ranker, Rivers, Hobbs, Darneille, Liias and Conway; by request of LEOFF Plan 2 Retirement Board.

Brief History:

Committee Activity:

Appropriations: 2/27/16, 2/29/16 [DP].

Brief Summary of Bill

- Adds to the death or disability benefits of members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2), expanding the benefits that apply to members that leave employment for federal Uniformed Services incidents that occurred when a member leaves the employment for federal service with the National Guard, Military Reserves, Federal Emergency Management Agency, or National Disaster Medical System.
- Provides members who become totally incapacitated during this service a disability benefit not subject to actuarial reduction or reduction to reflect a joint and 100 percent survivor benefit option, as well as service credit in LEOFF 2 for those periods of service.
- Applies eligibility for the benefits retroactively to March 22, 2014.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 28 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Cody, Dent,

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Fitzgibbon, Haler, Hansen, Harris, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Pettigrew, Robinson, Sawyer, Senn, Springer, Stokesbary, Sullivan, Tharinger, Van Werven and Walkinshaw.

Minority Report: Do not pass. Signed by 4 members: Representatives Condotta, Magendanz, Schmick and Taylor.

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

Staff: David Pringle (786-7310).

Background:

Generally, a member of a state retirement system receives a reduced death and disability benefit if the death or disability is a result of activity outside the member's public employment. This is known as a non-duty death or disability. In the state retirement plans that are currently open to new members, these disability benefits are typically the member's earned benefit actuarially reduced from the plan's normal retirement age to the members age at the time the disability benefits are claimed. In effect, these non-duty disability benefits allow the member to access the current value of the retirement benefit at an earlier age than the retirement formulas otherwise provide.

The Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) provides several different benefits for death or disability that occurs during the line of duty. A member that becomes disabled in the line of duty does not face an actuarial reduction to benefits or a reduction for a joint and 100 percent survivor benefit. This benefit also provides a minimum benefit of 10 percent of final average salary, plus 2 percent of final average salary per year of service beyond five. A member that is totally disabled in the line of duty, incapacitated from all other forms of substantial gainful activity, is entitled to receive a 70 percent of final average salary benefit, offset to the extent that in combination with Workers' Compensation and Social Security benefits the total does not exceed 100 percent of final average salary.

Members of state retirement systems who die or become disabled while serving in the military reserves or National Guard during a period of war receive an unreduced death or disability benefit, but not the 70 percent total disablement benefit, and may apply for interruptive military service credit for the period of their military service.

Summary of Bill:

Members of Plan 2 of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) receive an unreduced retirement benefit if the member dies or becomes disabled as a result of federal service in response to natural disasters or other federal emergencies, and may apply for service credit for the period of their federal service. The member is entitled to a minimum retirement allowance equal to 10 percent of final average salary, plus 2 percent of

final average salary per year of service beyond five. Eligibility for the 70 percent of final average salary benefit line-of-duty catastrophic disability benefit for federal service is not provided by the bill. This eligibility is retroactive to March 22, 2014.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill is a request of the LEOFF 2 Board. The bill provides similar benefits to those that are offered to members that are called to military service to members who are disabled or killed in other disaster-related federal service. This does not provide the full LEOFF 2 disability benefits, but it does provide the unreduced benefit and the survivor benefits like other line of duty deaths and disabilities are eligible for.

(Opposed) None.

Persons Testifying: Steve Nelsen, LEOFF Plan 2 Retirement Board.

Persons Signed In To Testify But Not Testifying: None.