

# HOUSE BILL REPORT

## SB 6197

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### As Reported by House Committee On: Labor & Workplace Standards

**Title:** An act relating to an employer's payment of indebtedness upon the death of an employee.

**Brief Description:** Regarding an employer's payment of indebtedness upon the death of an employee.

**Sponsors:** Senators Keiser, Baumgartner, Hasegawa and Conway.

#### **Brief History:**

##### **Committee Activity:**

Labor & Workplace Standards: 2/20/18, 2/22/18 [DP].

#### **Brief Summary of Bill**

- Removes a limit on indebtedness that may be paid to survivors of a deceased employee of the state and municipal corporations.

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### HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

**Majority Report:** Do pass. Signed by 7 members: Representatives Sells, Chair; Gregerson, Vice Chair; McCabe, Ranking Minority Member; Pike, Assistant Ranking Minority Member; Doglio, Frame and Manweller.

**Staff:** Joan Elgee (786-7106).

#### **Background:**

Following an employee's death, if an executor or administrator of the decedent's estate has not been appointed, an employer other than the state must pay the decedent's surviving spouse amounts owed to the decedent for the decedent's services up a limit of \$2,500. The surviving spouse must request the payment. If there is no surviving spouse, the monies are paid to any child or children, or if none, to the parent.

A special provision applies when the state is the employer. In these cases, the maximum amount that the state may pay the decedent's survivors for the decedent's work is currently

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\$13,500. This amount is based on the increase in the consumer price index, as authorized in statute and determined by the Director of the Office of Financial Management.

If the decedent's estate is valued at \$100,000 or less, or the right to the indebtedness is subject to a community property agreement, an employer may distribute the entire indebtedness if certain requirements are met.

In all cases, an employer must require proof of the claimant's relationship to the decedent.

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**Summary of Bill:**

There is no limit on the indebtedness that must be paid by the state or municipal corporations to survivors of a deceased employee.

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**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 issue came up when a city learned it could pay only \$2,500 to the family of a deceased employee. This limit does not make sense. The bill would treat municipal corporations and the state the same and remove the limit on pay. Most employees do not have wills and not being able to receive the last paycheck is a hardship.

(Opposed) None.

**Persons Testifying:** Senator Keiser, prime sponsor; Joe DePinto and Arthur Fitzpatrick, City of Kent.

**Persons Signed In To Testify But Not Testifying:** None.