

# HOUSE BILL REPORT

## HB 1912

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### As Reported by House Committee On: Appropriations

**Title:** An act relating to pension benefits and contributions in the volunteer firefighters' and reserve officers' relief and pension system.

**Brief Description:** Concerning pension benefits and contributions in the volunteer firefighters' and reserve officers' relief and pension system.

**Sponsors:** Representatives Blake, Griffey, Kretz, Appleton, Lovick, Santos and Morris.

#### **Brief History:**

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

Appropriations: 2/27/19, 2/28/19 [DP].

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

- Increases the annual disability relief fee for each member of a volunteer fire department or as a law enforcement reserve officer from \$30 to \$50.
- Increases the annual pension fee for volunteer fire departments that elect to cover the members of the department, or for departments that elect to cover law enforcement reserve officers, from \$60 to \$90.
- Increases the pension paid to members of the Volunteer Firefighters' and Reserve Officers' Relief and Pension System from a maximum of \$300 to a maximum of \$350 plus \$10 per month for each year that the retirement fee is paid beyond 25 years.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 32 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Cody, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Jinkins, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Springer, Stanford, Steele, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

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*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.*

**Staff:** David Pringle (786-7310).

**Background:**

The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS) provides death, disability, medical, and retirement benefits to volunteer firefighters, reserve officers, and emergency medical workers in cities, towns, and fire protection districts. The VFFRORPS is funded by member and employer contributions and 40 percent of the fire insurance premium tax.

Employers are required to participate in the death, disability, and medical benefit plans—collectively referred to as the "relief benefits"—offered by the VFFRORPS, but participation in the pension component is optional and participants must enroll to be covered by the plan. Relief benefits are available to members covered under the relief provisions of the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Act who are injured in the performance of duty.

Eligibility for retirement pension benefits from the VFFRORPS begins after 10 years of service as a member. The amount of the pension increases for each five years of service beyond the minimum 10 years and for payments made into the pension portion of the VFFRORPS. The maximum pension is vested with 25 years of service and 25 payments into the pension fund. Full retirement benefits are available at age 65, and early retirement benefits are available to members with 25 years of service on an actuarially reduced basis beginning at age 60. The maximum pension benefit is \$300 per month.

At any time prior to retirement, or at the time of retirement, a member of the VFFRORPS may purchase retirement pension coverage for years of eligible service prior to the member's enrollment in the system, or for years of service credit lost due to the withdrawal of the member's pension contributions. A member choosing to purchase such retirement pension coverage must make a contribution to the system equal to the actuarial value of the resulting benefit increase. The municipality that the member serves may contribute some or all of the amount required to purchase coverage.

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**Summary of Bill:**

The annual disability relief fee for each member of the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS) is increased from \$30 to \$50. The annual pension fee is increased from \$60 to \$90, half of which may continue to be paid by the member at the employer's choice. The pension paid to members of the VFFRORPS is increased from a maximum of \$300 to a maximum of \$350 plus \$10 per month for each year that the retirement fee is paid beyond 25 years.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2019.

**Staff Summary of Public Testimony:**

(In support) This bill is about improving incentives to join and stay in the volunteer fire service. It is hard for departments to recruit volunteers, and keeping them is harder. Volunteer firefighters require almost the same training as career firefighters, so it is expensive to get them to this high degree of competency. Some volunteer departments see rates of attrition between 20 and 30 percent per year, and it is hoped that this bill will help reduce those rates. This is a great bill that was developed over two years of effort and collaboration with the Board for Volunteer Fire Fighters and the State Actuary's Office. The relief and pension fund is soluble, and will remain so with these benefit improvements.

(Opposed) None.

**Persons Testifying:** TJ Nedro and Brian Van Camp, Washington State Volunteer Fire Fighters' Association.

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