

HOUSE BILL REPORT

HB 1004

As Reported by House Committee On:
Appropriations

Title: An act relating to adjusting disability payments.

Brief Description: Adjusting disability payments.

Sponsors: Representatives Morris and Doumit.

Brief History:

Committee Activity:

Appropriations: 2/15/01, 2/21/01 [DPS].

Brief Summary of Substitute Bill

- Survivor and disability benefits paid from the Volunteer Firefighters and Reserve Officers' Relief Fund will be increased annually by the change in the Consumer Price Index.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; Lisk, Republican Vice Chair; Alexander, Benson, Boldt, Buck, Clements, Cody, Cox, Dunshee, Fromhold, Gombosky, Kagi, Keiser, Kenney, Kessler, Lambert, Linville, Mastin, McIntire, Mulliken, Pearson, Pflug, Ruderman, D. Schmidt, Schual-Berke, Talcott and Tokuda.

Staff: Andrea Hardy (786-7349).

Background:

The Volunteer Fire Fighters' Relief and Pension System (VFFRPS) provides death, disability, medical, and retirement benefits to volunteer fire fighters and reserve officers in cities, towns, and fire protection districts. The State Board for Volunteer Fire Fighters administers this system. The system is funded by member and employer contributions and a portion of the fire insurance premiums tax.

Under the state's industrial insurance system, an injured worker with a permanent disability receives compensation for the disability according to a statutory schedule. The Department of Labor and Industries (L&I) administers this benefit for covered employees who become disabled. Payments made under the state's industrial insurance programs increase each July by the annual change in the U.S. Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers.

Volunteer firefighters are not employees, so they are not covered by L&I, but the VFFRPS offers a similar disability benefit. The State Board for Volunteer Fire Fighters determines the extent to which a disability qualifies for the benefit. For the first six months of a disability, the system pays a monthly disability benefit equal to the lesser of the disabled participant's monthly salary at their regular job or a dollar amount of \$2,550. After the first six months the disability benefit is \$1,275 per month. Additional amounts are granted if the member has a spouse or children, up to a maximum monthly allowance of \$2,550.

When a VFFRPS member is killed in the line of duty, the VFFRPS also provides survivor benefits for the member's spouse or designee. The designated survivors receive \$152,000 as a death benefit, and \$1,275 per month as a lifetime annuity (with additional compensation where there are dependent children). The lifetime annuity reaches a monthly maximum of \$2,550 per month.

Both the disability and survivor benefit amounts are set in statute and do not automatically increase to account for inflation.

Summary of Substitute Bill:

Disability payments and survivor benefits in the VFFRPS are increased annually, beginning July 1, 2001. The increase is equal to the change in the annual average CPI for Urban Wage Earners and Clerical Workers for the preceding two calendar years.

Substitute Bill Compared to Original Bill:

The original bill indexed only disability payments in the VFFRPS to the average annual percentage change in the CPI for Urban Wage Earners and Clerical Workers for the preceding two calendar years. The substitute bill indexes both disability and survivor benefits to the change in the CPI.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is a good bill, but the cost of living adjustment should also be applied to surviving spouses of volunteer fire fighters and reserve officers.

Testimony Against: None.

Testified: Ryan Spiller, Washington Fire Commission Association.