

HOUSE BILL REPORT

HB 1110

As Reported by House Committee On: Appropriations

Title: An act relating to monthly pensions for volunteer fire fighters and reserve officers.

Brief Description: Increasing the monthly pensions for volunteer fire fighters and reserve officers.

Sponsors: Representatives Newhouse, Clibborn, Lovick, Benson, Cooper and Haigh.

Brief History:

Committee Activity:

Appropriations: 2/11/03, 2/13/03 [DP].

Brief Summary of Bill

- Increases the monthly pensions for volunteer fire fighters and reserve officers who serve for 25 years or more by \$20 per month.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 26 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Buck, Clements, Cody, Conway, Cox, DeBolt, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Pflug, Ruderman, Schual-Berke, Sump and Talcott.

Staff: David Pringle (786-7310).

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 premium tax.

Employers are required to participate in the death, disability, and medical benefit plans

offered by the VFFRPS, but participation in the pension component is optional. About 18,000 members are covered by the death, disability, and medical benefits, and 12,000 members are covered by the pension benefits.

To participate in the pension benefit program, cities, counties, or fire districts with volunteer fire fighters pay a retirement system participation fee to the VFFRPS by March 1 each year. A member is only eligible for a pension from years in which his or her employer has paid the participation fee.

Upon attaining age 65 and 25 years of service, volunteer fire fighters are entitled to a pension. If their employer has paid the participation fee for a period of 25 years, a member is paid a monthly pension of \$280 for life. If a member's employer has paid the participation fee for less than 25 years, the member receives a pension of \$30 per month, plus an additional \$10 for each year the annual participation fee has been paid, up to the \$280 maximum. Members with 25 years of service may also receive reduced early retirement benefits beginning at age 60.

Volunteer fire fighters are not employees, so they are not covered by the industrial insurance system operated by the Department of Labor and Industries (L&I). The VFFRPS provides a similar disability benefit to members as would be provided by the L&I if the members were employees. The VFFRPS also provides a benefit to survivors of members killed in the line of duty, including a survivor annuity of up to \$2,550 per month.

Summary of Bill:

Pension benefits payable to retirees from the VFFRPS are increased. A member retiring at age 65 and 25 years of service is entitled to a monthly pension of \$300 if their employer has paid the participation fee for 25 years. A member whose employer has paid the participation fee for less than 25 years receives \$50 per month, plus an additional \$10 per month for each year the participation fee has been paid up to the \$300 maximum.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2003.

Testimony For: 70 percent of fire fighters are volunteers and they receive very limited benefits. This is a good improvement, even though it is only a \$20 per month increase. Volunteer fire fighters risk their lives to protect us for little compensation. The plan can

support this increase without additional cost to the state. It is important to reward the commitment to volunteer fire fighting.

Testimony Against: None.

Testified: Representative Newhouse, prime sponsor; Ryan Spiller, Washington Fire Commissioners; and Ken McCulloch.