

# FINAL BILL REPORT

## SHB 1266

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C 487 L 07

Synopsis as Enacted

**Brief Description:** Addressing death benefits for public employees.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Conway, Fromhold, B. Sullivan, Kenney, Ericks, Simpson and Moeller; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board).

**House Committee on Appropriations**  
**Senate Committee on Ways & Means**

### **Background:**

The survivors of employees covered by many of the plans of the Washington retirement systems, as well as other state agency employees, are eligible for a \$150,000 lump-sum benefit in the event that the member dies as a result of injuries sustained in the course of employment. If the member belongs to the Public Employees' Retirement System (PERS), the Law Enforcement Officers and Firefighters Retirement System (LEOFF), the Teachers' Retirement System (TRS), the School Employees' Retirement System (SERS), the Public Safety Employees Retirement System (PSERS), the Washington State Patrol Retirement System (WSPRS), or the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS), then the benefit is paid from the plan. If the individual was a state, school district, or higher education employee that was not a member of one of the retirement systems listed above, then the benefit is paid as a sundry claim.

Additional death benefits are available to survivors of state retirement system members. The spouse or dependents of an individual covered by Social Security may be eligible for a death benefit if they meet age, income, or other restrictions. The age eligibility for the Social Security death benefit is based on an age 65 eligibility for full benefits, and reduced benefits are available beginning at age 60. The size of the Social Security death benefit is dependent on the contributions the deceased made to Social Security during the member's career. Members of the WSPRS and the majority of the LEOFF members do not participate in Social Security.

A workers' compensation death benefit may also be payable from the Department of Labor and Industries for death resulting from injury sustained in the course of employment. A lump sum benefit may be payable from the Department of Labor and Industries for burial expenses, as well as a monthly benefit of 60 percent of gross wages up to 120 percent of the state's average wage.

Employees who meet the federal definition of "public safety officers," including some members of the LEOFF, WSPRS, PERS, and PSERS, are also eligible under the federal

Public Safety Officers Benefit Act of 1976 for an inflation-indexed lump-sum death benefit of approximately \$295,000 in 2007.

Beginning in 1987, the Legislature enacted presumptions that when certain diseases were contracted by firefighters they were caused by job-related exposure. For these "occupational diseases," the work-related cause is established for workers' compensation benefits purposes. Initially, the occupational disease presumption applied only to respiratory disease, but in 2002 the Legislature expanded the list of occupational diseases for firefighters to include more conditions, including other exposures to smoke or toxic substances, certain types of cancer, and infectious diseases. Employees other than firefighters do not benefit from the presumption of cause and must establish that a workplace condition was the most likely cause of a disease.

**Summary:**

The \$150,000 death benefit for members of the Washington retirement systems, as well as state agency, school district, and higher education employees, is payable upon death due to an occupational disease or infection that arises in the course of employment, as well as from injuries sustained in the course of employment.

Benefits for deceased members of PERS, LEOFF 1, TRS, SERS, PSERS, and VFFRORPS are paid from the member's plan. For deceased employees of state, school district, or higher education institutions who did not belong to these state retirement systems when they died, the benefit is payable as a sundry claim.

The survivor of a PERS Plan 2 member that left the employment of a PERS employer to enter the uniformed services of the United States and that died while honorably serving in Operation Enduring Freedom or Operation Iraqi Freedom after January 1, 2007, may receive an amount equal to 200 percent of the member's accumulated contributions, less any amount identified as owing to an obligee upon withdrawal of accumulated contributions pursuant to a divorce-related court decree filed with the Department of Retirement System.

**Votes on Final Passage:**

House	95	0	
Senate	47	0	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	98	0	(House concurred)

**Effective:** July 22, 2007