
SENATE BILL 5177

State of Washington

60th Legislature

2007 Regular Session

By Senators Fraser, Schoesler, Pridemore, Fairley, McAuliffe, Jacobsen, Prentice, Keiser, Franklin, Rasmussen and Roach; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board

Read first time 01/12/2007. Referred to Committee on Ways & Means.

1 AN ACT Relating to death benefits for public employees; amending
2 RCW 41.04.017, 41.24.160, 41.26.048, 41.32.053, 41.35.115, 41.37.110,
3 41.40.0931, 41.40.0932, and 43.43.285; providing an effective date; and
4 declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 41.04.017 and 2003 c 402 s 4 are each amended to read
7 as follows:

8 (1) A one hundred fifty thousand dollar death benefit shall be paid
9 as a sundry claim to the estate of an employee of any state agency, the
10 common school system of the state, or institution of higher education
11 who dies as a result of (a) injuries sustained in the course of
12 employment; or (b) an occupational disease or infection that arises
13 naturally and proximately out of employment covered under this chapter,
14 and is not otherwise provided a death benefit through coverage under
15 their enrolled retirement system under chapter 402, Laws of 2003. The
16 determination of eligibility for the benefit shall be made consistent
17 with Title 51 RCW by the department of labor and industries. The
18 department of labor and industries shall notify the director of the
19 department of general administration by order under RCW 51.52.050.

1 (2)(a) Beginning July 1, 2007, and every year thereafter, the
2 department of retirement systems shall determine the following
3 information:

4 (i) The index for the 2005 calendar year, to be known as "index A";

5 (ii) The index for the calendar year prior to the date of
6 determination, to be known as "index B"; and

7 (iii) The ratio obtained when index B is divided by index A.

8 (b) The value of the ratio obtained shall be the annual adjustment
9 to the original death benefit and shall be applied beginning every July
10 1st. In no event, however, shall the annual adjustment:

11 (i) Produce a benefit which is lower than one hundred fifty
12 thousand dollars;

13 (ii) Exceed three percent in the initial annual adjustment; or

14 (iii) Differ from the previous year's annual adjustment by more
15 than three percent.

16 (c) For the purposes of this section, "index" means, for any
17 calendar year, that year's average consumer price index -- Seattle,
18 Washington area for urban wage earners and clerical workers, all items,
19 compiled by the bureau of labor statistics, United States department of
20 labor.

21 **Sec. 2.** RCW 41.24.160 and 2001 c 134 s 2 are each amended to read
22 as follows:

23 (1)(a) Whenever a participant dies as the result of injuries
24 received, or sickness contracted in consequence or as the result of the
25 performance of his or her duties, the board of trustees shall order and
26 direct the payment from the principal fund of (i) the sum of one
27 hundred fifty-two thousand dollars to his widow or her widower, or if
28 there is no widow or widower, then to his or her dependent child or
29 children, or if there is no dependent child or children, then to his or
30 her dependent parents or either of them, or if there are no dependent
31 parents or parent, then the death benefit shall be paid to the member's
32 estate, and (ii)(A) the sum of one thousand two hundred seventy-five
33 dollars per month to his widow or her widower during his or her life
34 together with the additional monthly sum of one hundred ten dollars for
35 each child of the member, unemancipated or under eighteen years of age,
36 dependent upon the member for support at the time of his or her death,

1 (B) to a maximum total of two thousand five hundred fifty dollars per
2 month.

3 (b) Beginning on July 1, 2001, and each July 1st thereafter, the
4 compensation amount specified in (a)(ii)(B) of this subsection shall be
5 readjusted to reflect the percentage change in the consumer price
6 index, calculated as follows: The index for the calendar year
7 preceding the year in which the July calculation is made, to be known
8 as "calendar year A," is divided by the index for the calendar year
9 preceding calendar year A, and the resulting ratio is multiplied by the
10 compensation amount in effect on June 30th immediately preceding the
11 July 1st on which the respective calculation is made. For the purposes
12 of the calculation under this subsection (1)(b), "index" means the same
13 as the definition in RCW 2.12.037(1).

14 (c)(i) Beginning July 1, 2007, and every year thereafter, the state
15 board shall determine the following information:

16 (A) The index for the 2005 calendar year, to be known as "index A";

17 (B) The index for the calendar year prior to the date of
18 determination, to be known as "index B"; and

19 (C) The ratio obtained when index B is divided by index A.

20 (ii) The value of the ratio obtained shall be the annual adjustment
21 to the original death benefit specified in (a)(i) of this subsection
22 and shall be applied beginning every July 1st. In no event, however,
23 shall the annual adjustment:

24 (A) Produce a benefit which is lower than one hundred fifty-two
25 thousand dollars;

26 (B) Exceed three percent in the initial annual adjustment; or

27 (C) Differ from the previous year's annual adjustment by more than
28 three percent.

29 (iii) For the purposes of the calculation specified in (c) of this
30 subsection, "index" means, for any calendar year, that year's average
31 consumer price index -- Seattle, Washington area for urban wage earners
32 and clerical workers, all items, compiled by the bureau of labor
33 statistics, United States department of labor.

34 (2) If the widow or widower does not have legal custody of one or
35 more dependent children of the deceased participant or if, after the
36 death of the participant, legal custody of such child or children
37 passes from the widow or widower to another person, any payment on
38 account of such child or children not in the legal custody of the widow

1 or widower shall be made to the person or persons having legal custody
2 of such child or children. Such payments on account of such child or
3 children shall be subtracted from the amount to which such widow or
4 widower would have been entitled had such widow or widower had legal
5 custody of all the children and the widow or widower shall receive the
6 remainder after such payments on account of such child or children have
7 been subtracted. If there is no widow or widower, or the widow or
8 widower dies while there are children, unemancipated or under eighteen
9 years of age, then the amount of one thousand two hundred seventy-five
10 dollars per month shall be paid for the youngest or only child together
11 with an additional one hundred ten dollars per month for each
12 additional of such children to a maximum of two thousand five hundred
13 fifty dollars per month until they become emancipated or reach the age
14 of eighteen years; and if there are no widow or widower, child, or
15 children entitled thereto, then to his or her parents or either of them
16 the sum of one thousand two hundred seventy-five dollars per month for
17 life, if it is proved to the satisfaction of the board that the
18 parents, or either of them, were dependent on the deceased for their
19 support at the time of his or her death. In any instance in
20 subsections (1) and (2) of this section, if the widow or widower, child
21 or children, or the parents, or either of them, marries while receiving
22 such pension the person so marrying shall thereafter receive no further
23 pension from the fund.

24 (3) In the case provided for in this section, the monthly payment
25 provided may be converted in whole or in part into a lump sum payment,
26 not in any case to exceed twelve thousand dollars, equal or
27 proportionate, as the case may be, to the actuarial equivalent of the
28 monthly payment in which event the monthly payments shall cease in
29 whole or in part accordingly or proportionately. Such conversion may
30 be made either upon written application to the state board and shall
31 rest in the discretion of the state board; or the state board is
32 authorized to make, and authority is given it to make, on its own
33 motion, lump sum payments, equal or proportionate, as the case may be,
34 to the value of the annuity then remaining in full satisfaction of
35 claims due to dependents. Within the rule under this subsection the
36 amount and value of the lump sum payment may be agreed upon between the
37 applicant and the state board.

1 **Sec. 3.** RCW 41.26.048 and 2006 c 351 s 1 are each amended to read
2 as follows:

3 (1) A one hundred fifty thousand dollar death benefit shall be paid
4 to the member's estate, or such person or persons, trust or
5 organization as the member shall have nominated by written designation
6 duly executed and filed with the department. If there be no such
7 designated person or persons still living at the time of the member's
8 death, such member's death benefit shall be paid to the member's
9 surviving spouse as if in fact such spouse had been nominated by
10 written designation, or if there be no such surviving spouse, then to
11 such member's legal representatives.

12 (2) The benefit under this section shall be paid only when death
13 occurs: (a) As a result of injuries sustained in the course of
14 employment; or (b) ~~((to a member of plan 2))~~ as a result of an
15 occupational disease or infection that arises naturally and proximately
16 out of employment covered under this chapter. The determination of
17 eligibility for the benefit shall be made consistent with Title 51 RCW
18 by the department of labor and industries. The department of labor and
19 industries shall notify the department of retirement systems by order
20 under RCW 51.52.050.

21 (3)(a) Beginning July 1, 2007, and every year thereafter, the
22 department shall determine the following information:

23 (i) The index for the 2005 calendar year, to be known as "index A";
24 (ii) The index for the calendar year prior to the date of
25 determination, to be known as "index B"; and
26 (iii) The ratio obtained when index B is divided by index A.

27 (b) The value of the ratio obtained shall be the annual adjustment
28 to the original death benefit and shall be applied beginning every July
29 1st. In no event, however, shall the annual adjustment:

30 (i) Produce a benefit which is lower than one hundred fifty
31 thousand dollars;
32 (ii) Exceed three percent in the initial annual adjustment; or
33 (iii) Differ from the previous year's annual adjustment by more
34 than three percent.

35 (c) For the purposes of this section, "index" means, for any
36 calendar year, that year's average consumer price index -- Seattle,
37 Washington area for urban wage earners and clerical workers, all items,

1 compiled by the bureau of labor statistics, United States department of
2 labor.

3 **Sec. 4.** RCW 41.32.053 and 2003 c 402 s 2 are each amended to read
4 as follows:

5 (1) A one hundred fifty thousand dollar death benefit shall be paid
6 to the member's estate, or such person or persons, trust or
7 organization as the member has nominated by written designation duly
8 executed and filed with the department. If no such designated person
9 or persons are still living at the time of the member's death, the
10 member's death benefit shall be paid to the member's surviving spouse
11 as if in fact the spouse had been nominated by written designation, or
12 if there is no surviving spouse, then to the member's legal
13 representatives.

14 (2) The benefit under this section shall be paid only where death
15 occurs as a result of (a) injuries sustained in the course of
16 employment; or (b) an occupational disease or infection that arises
17 naturally and proximately out of employment covered under this chapter.
18 The determination of eligibility for the benefit shall be made
19 consistent with Title 51 RCW by the department of labor and industries.
20 The department of labor and industries shall notify the department of
21 retirement systems by order under RCW 51.52.050.

22 (3)(a) Beginning July 1, 2007, and every year thereafter, the
23 department shall determine the following information:

24 (i) The index for the 2005 calendar year, to be known as "index A";

25 (ii) The index for the calendar year prior to the date of
26 determination, to be known as "index B"; and

27 (iii) The ratio obtained when index B is divided by index A.

28 (b) The value of the ratio obtained shall be the annual adjustment
29 to the original death benefit and shall be applied beginning every July
30 1st. In no event, however, shall the annual adjustment:

31 (i) Produce a benefit which is lower than one hundred fifty
32 thousand dollars;

33 (ii) Exceed three percent in the initial annual adjustment; or

34 (iii) Differ from the previous year's annual adjustment by more
35 than three percent.

36 (c) For the purposes of this section, "index" means, for any
37 calendar year, that year's average consumer price index -- Seattle,

1 Washington area for urban wage earners and clerical workers, all items,
2 compiled by the bureau of labor statistics, United States department of
3 labor.

4 **Sec. 5.** RCW 41.35.115 and 2003 c 402 s 3 are each amended to read
5 as follows:

6 (1) A one hundred fifty thousand dollar death benefit shall be paid
7 to the member's estate, or such person or persons, trust or
8 organization as the member has nominated by written designation duly
9 executed and filed with the department. If no such designated person
10 or persons are still living at the time of the member's death, the
11 member's death benefit shall be paid to the member's surviving spouse
12 as if in fact the spouse had been nominated by written designation, or
13 if there is no surviving spouse, then to the member's legal
14 representatives.

15 (2) The benefit under this section shall be paid only where death
16 occurs as a result of (a) injuries sustained in the course of
17 employment; or (b) an occupational disease or infection that arises
18 naturally and proximately out of employment covered under this chapter.
19 The determination of eligibility for the benefit shall be made
20 consistent with Title 51 RCW by the department of labor and industries.
21 The department of labor and industries shall notify the department of
22 retirement systems by order under RCW 51.52.050.

23 (3)(a) Beginning July 1, 2007, and every year thereafter, the
24 department shall determine the following information:

25 (i) The index for the 2005 calendar year, to be known as "index A";

26 (ii) The index for the calendar year prior to the date of
27 determination, to be known as "index B"; and

28 (iii) The ratio obtained when index B is divided by index A.

29 (b) The value of the ratio obtained shall be the annual adjustment
30 to the original death benefit and shall be applied beginning every July
31 1st. In no event, however, shall the annual adjustment:

32 (i) Produce a benefit which is lower than one hundred fifty
33 thousand dollars;

34 (ii) Exceed three percent in the initial annual adjustment; or

35 (iii) Differ from the previous year's annual adjustment by more
36 than three percent.

1 (c) For the purposes of this section, "index" means, for any
2 calendar year, that year's average consumer price index -- Seattle,
3 Washington area for urban wage earners and clerical workers, all items,
4 compiled by the bureau of labor statistics, United States department of
5 labor.

6 **Sec. 6.** RCW 41.37.110 and 2004 c 242 s 14 are each amended to read
7 as follows:

8 (1) A one hundred fifty thousand dollar death benefit shall be paid
9 to the member's estate, or the person or persons, trust, or
10 organization the member has nominated by written designation duly
11 executed and filed with the department. If the designated person or
12 persons are not still living at the time of the member's death, the
13 member's death benefit shall be paid to the member's surviving spouse
14 as if in fact the spouse had been nominated by written designation, or
15 if there is no surviving spouse, then to the member's legal
16 representatives.

17 (2) The benefit under this section shall be paid only where death
18 occurs as a result of (a) injuries sustained in the course of
19 employment; or (b) an occupational disease or infection that arises
20 naturally and proximately out of employment covered under this chapter.
21 The determination of eligibility for the benefit shall be made
22 consistent with Title 51 RCW by the department of labor and industries.
23 The department of labor and industries shall notify the department of
24 retirement systems by order under RCW 51.52.050.

25 (3)(a) Beginning July 1, 2007, and every year thereafter, the
26 department shall determine the following information:

27 (i) The index for the 2005 calendar year, to be known as "index A";

28 (ii) The index for the calendar year prior to the date of
29 determination, to be known as "index B"; and

30 (iii) The ratio obtained when index B is divided by index A.

31 (b) The value of the ratio obtained shall be the annual adjustment
32 to the original death benefit and shall be applied beginning every July
33 1st. In no event, however, shall the annual adjustment:

34 (i) Produce a benefit which is lower than one hundred fifty
35 thousand dollars;

36 (ii) Exceed three percent in the initial annual adjustment; or

1 (iii) Differ from the previous year's annual adjustment by more
2 than three percent.

3 (c) For the purposes of this section, "index" means, for any
4 calendar year, that year's average consumer price index -- Seattle,
5 Washington area for urban wage earners and clerical workers, all items,
6 compiled by the bureau of labor statistics, United States department of
7 labor.

8 **Sec. 7.** RCW 41.40.0931 and 1998 c 157 s 1 are each amended to read
9 as follows:

10 (1) A one hundred fifty thousand dollar death benefit for members
11 who had the opportunity to transfer to the law enforcement officers'
12 and fire fighters' retirement system pursuant to chapter 502, Laws of
13 1993, but elected to remain in the public employees' retirement system,
14 shall be paid to the member's estate, or such person or persons, trust,
15 or organization as the member has nominated by written designation duly
16 executed and filed with the department. If there is no designated
17 person or persons still living at the time of the member's death, the
18 member's death benefit shall be paid to the member's surviving spouse
19 as if in fact the spouse had been nominated by written designation, or
20 if there is no surviving spouse, then to the member's legal
21 representatives.

22 (2) Subject to subsection (3) of this section, the benefit under
23 this section shall be paid only where death occurs as a result of (a)
24 injuries sustained in the course of employment as a general authority
25 police officer; or (b) an occupational disease or infection that arises
26 naturally and proximately out of employment covered under this chapter.
27 The determination of eligibility for the benefit shall be made
28 consistent with Title 51 RCW by the department of labor and industries.
29 The department of labor and industries shall notify the department of
30 retirement systems by order under RCW 51.52.050.

31 (3) The benefit under this section shall not be paid in the event
32 the member was in the act of committing a felony when the fatal
33 injuries were suffered.

34 (4)(a) Beginning July 1, 2007, and every year thereafter, the
35 department shall determine the following information:

36 (i) The index for the 2005 calendar year, to be known as "index A";

1 (ii) The index for the calendar year prior to the date of
2 determination, to be known as "index B"; and

3 (iii) The ratio obtained when index B is divided by index A.

4 (b) The value of the ratio obtained shall be the annual adjustment
5 to the original death benefit and shall be applied beginning every July
6 1st. In no event, however, shall the annual adjustment:

7 (i) Produce a benefit which is lower than one hundred fifty
8 thousand dollars;

9 (ii) Exceed three percent in the initial annual adjustment; or

10 (iii) Differ from the previous year's annual adjustment by more
11 than three percent.

12 (c) For the purposes of this section, "index" means, for any
13 calendar year, that year's average consumer price index -- Seattle,
14 Washington area for urban wage earners and clerical workers, all items,
15 compiled by the bureau of labor statistics, United States department of
16 labor.

17 **Sec. 8.** RCW 41.40.0932 and 2003 c 402 s 1 are each amended to read
18 as follows:

19 (1) A one hundred fifty thousand dollar death benefit shall be paid
20 to the member's estate, or such person or persons, trust or
21 organization as the member has nominated by written designation duly
22 executed and filed with the department. If no such designated person
23 or persons are still living at the time of the member's death, the
24 member's death benefit shall be paid to the member's surviving spouse
25 as if in fact the spouse had been nominated by written designation, or
26 if there is no surviving spouse, then to the member's legal
27 representatives.

28 (2) The benefit under this section shall be paid only where death
29 occurs as a result of (a) injuries sustained in the course of
30 employment; or (b) an occupational disease or infection that arises
31 naturally and proximately out of employment covered under this chapter.
32 The determination of eligibility for the benefit shall be made
33 consistent with Title 51 RCW by the department of labor and industries.
34 The department of labor and industries shall notify the department of
35 retirement systems by order under RCW 51.52.050.

36 (3)(a) Beginning July 1, 2007, and every year thereafter, the
37 department shall determine the following information:

1 (i) The index for the 2005 calendar year, to be known as "index A";
2 (ii) The index for the calendar year prior to the date of
3 determination, to be known as "index B"; and
4 (iii) The ratio obtained when index B is divided by index A.
5 (b) The value of the ratio obtained shall be the annual adjustment
6 to the original death benefit and shall be applied beginning every July
7 1st. In no event, however, shall the annual adjustment:
8 (i) Produce a benefit which is lower than one hundred fifty
9 thousand dollars;
10 (ii) Exceed three percent in the initial annual adjustment; or
11 (iii) Differ from the previous year's annual adjustment by more
12 than three percent.
13 (c) For the purposes of this section, "index" means, for any
14 calendar year, that year's average consumer price index -- Seattle,
15 Washington area for urban wage earners and clerical workers, all items,
16 compiled by the bureau of labor statistics, United States department of
17 labor.

18 **Sec. 9.** RCW 43.43.285 and 1996 c 226 s 2 are each amended to read
19 as follows:

20 (1) A one hundred fifty thousand dollar death benefit shall be paid
21 to the member's estate, or such person or persons, trust or
22 organization as the member shall have nominated by written designation
23 duly executed and filed with the department. If there be no such
24 designated person or persons still living at the time of the member's
25 death, such member's death benefit shall be paid to the member's
26 surviving spouse as if in fact such spouse had been nominated by
27 written designation, or if there be no such surviving spouse, then to
28 such member's legal representatives.

29 (2) The benefit under this section shall be paid only where death
30 occurs as a result of (a) injuries sustained in the course of
31 employment; or (b) an occupational disease or infection that arises
32 naturally and proximately out of employment covered under this chapter.
33 The determination of eligibility for the benefit shall be made
34 consistent with Title 51 RCW by the department of labor and industries.
35 The department of labor and industries shall notify the department of
36 retirement systems by order under RCW 51.52.050.

1 (3)(a) Beginning July 1, 2007, and every year thereafter, the
2 department shall determine the following information:

3 (i) The index for the 2005 calendar year, to be known as "index A";

4 (ii) The index for the calendar year prior to the date of
5 determination, to be known as "index B"; and

6 (iii) The ratio obtained when index B is divided by index A.

7 (b) The value of the ratio obtained shall be the annual adjustment
8 to the original death benefit and shall be applied beginning every July
9 1st. In no event, however, shall the annual adjustment:

10 (i) Produce a benefit which is lower than one hundred fifty
11 thousand dollars;

12 (ii) Exceed three percent in the initial annual adjustment; or

13 (iii) Differ from the previous year's annual adjustment by more
14 than three percent.

15 (c) For the purposes of this section, "index" means, for any
16 calendar year, that year's average consumer price index -- Seattle,
17 Washington area for urban wage earners and clerical workers, all items,
18 compiled by the bureau of labor statistics, United States department of
19 labor.

20 NEW SECTION. Sec. 10. This act is necessary for the immediate
21 preservation of the public peace, health, or safety, or support of the
22 state government and its existing public institutions, and takes effect
23 July 1, 2007.

--- END ---