
Granite Mountain Hotshots Public Benefits Summary

**Presentation to the House Committee on Public Safety,
Military, and Regulatory Affairs**

October 15, 2013

JLBC

Background

- On June 30, 2013, 19 firefighters died in the line of duty while fighting the Yarnell Hill Fire
 - 6 were classified as permanent employees – all 6 had a spouse or child
 - 13 were not classified as permanent employees – 5 had a spouse or child

Granite Mountain Hotshots - Public Benefits Summary ^{1/}

Employee #	Spouse/ Child?	ASRS Benefit (Lump Sum)	PSPRS Benefit (Ongoing Annual)	Life Insurance (Lump Sum) ^{2/}	Workers' Comp Benefit (Ongoing Annual)	Health+Dental Ins Benefit (Ongoing Annual) ^{3/}	Federal Death Benefit (Lump Sum)	Education Benefit ^{4/}	Total	
									Annual Ongoing Benefits ^{5/}	Lump Sum Benefits ^{6/7/}
Employee #1	Yes		101,483	122,335	33,488	7,092	328,600		142,063	455,935
Employee #2	Yes	2,234	69,918	85,738	33,488	7,092	328,600		110,498	421,572
Employee #3	Yes		76,116	97,672	33,488	9,180	328,600		118,784	431,272
Employee #4	Yes	4,319	57,741	85,738	33,488	9,180	328,600		100,409	423,656
Employee #5	Yes		59,814	85,738	33,488	7,092	328,600		100,394	419,338
Employee #6	Yes	16,108	60,725	70,340	32,953	9,180	328,600		102,858	420,048
Permanent Total		\$22,661	\$425,798	\$547,560	\$200,393	\$48,816	\$1,971,600		\$675,007	\$2,571,821
Employee #7	Yes	23,074			33,488		328,600		33,488	356,674
Employee #8	No	14,145					328,600		0	347,745
Employee #9	No	2,123					328,600		0	335,723
Employee #10	Yes	3,624			28,056		328,600		28,056	337,224
Employee #11	Yes	3,391			26,807		328,600		26,807	336,991
Employee #12	No	2,660					328,600		0	336,260
Employee #13	No	1,139					328,600		0	334,739
Employee #14	Yes	2,057			20,582		328,600		20,582	335,657
Employee #15	Yes	2,057			18,695		328,600		18,695	335,657
Employee #16	No	2,057					328,600		0	335,657
Employee #17	No	2,817					328,600		0	336,417
Employee #18	No	2,057					328,600		0	335,657
Employee #19	No	2,710					328,600		0	336,310
Non-permanent Total		\$63,911	\$0	\$0	\$127,628	\$0	\$4,271,800		\$127,628	\$4,400,711
Total Public Benefits		\$86,572	\$425,798	\$547,560	\$328,020	\$48,816	\$6,243,400		\$802,634	\$6,972,532

- ^{1/} Benefits are not expected to be subject to state or federal income tax, with the exception of lump sum payments made by ASRS. If members choose to accept an annuity from ASRS, benefits would be tax-exempt.
- ^{2/} Includes 2 components. The first is an amount paid by the City of Prescott's insurance policy equal to twice an employee's base salary. The second is a retirement bonus paid to PSPRS-eligible city employees and is equal to 3 months base salary.
- ^{3/} Represents employer share of premiums. Survivors would be required to pay the employee's share of the premium, as required by selected coverage plans. Certain plans do not require employees to contribute a share of the premium cost. We are still working to determine the amount that spouses and children would be required to pay, although they are not expected to exceed \$500 annually under their current plan selections. If they choose a different plan, spouses and children may be required to pay up to a maximum of \$6,972 annually to cover the employee premium cost.
- ^{4/} Spouses and children receive a federal higher education benefit equal to \$987 per month for full-time students, for a maximum of 45 months. In addition, spouses and children receive a tuition waiver at any of Arizona's public universities or community colleges. In FY 2014, the average annual cost for tuition and fees at a community college is approximately \$2,200. In FY 2014, the average annual cost for tuition and fees at an Arizona public university is approximately \$10,000 for an in-state resident.
- ^{5/} Amount equals columns D + F + G
- ^{6/} Amount equals columns C + E + H, as well as a lump sum \$5,000 reimbursement for all 19 employees for burial expenses, paid from the City of Prescott's workers' compensation program.
- ^{7/} Total only reflects public benefits, and does not represent any private donations. Although details regarding private donations have not been finalized, at a minimum the 100 Club provides a lump sum payment of \$15,000 to the survivors of any public officer who dies in the line of duty.



ASRS benefit (Column C)

- ❑ 16 of the 19 were either currently enrolled in the Arizona State Retirement System (ASRS) or had previous ASRS service
 - Includes 3 permanent employees, and 13 others.
 - Survivors of these 16 will receive a lump sum benefit equal to their account balance.
(employee contribution + employer contribution + 8% interest)
 - One-time total of \$86,600 disbursed
 - Amounts range from \$1,100 to \$23,000
 - Average benefit is \$5,400

PSPRS Benefit (Column D)

- ❑ The 6 permanent employees were enrolled in the Public Safety Personnel Retirement System (PSPRS)
 - Since all 6 had dependents, their survivors will qualify for payments which are equal to 100% of average monthly wages, including overtime.
 - Total disbursed annually will be \$425,800
 - Amounts range from \$57,700 to \$101,500 annually
 - Average annual benefit is \$71,000
 - Not subject to state or federal income tax

Life Insurance/Other (Column E)

- ❑ The 6 permanent employees will receive a lump sum life insurance payment to be paid from the City of Prescott insurance policy, equal to twice an employee's base salary.
- ❑ In addition, the City of Prescott will provide the 6 permanent employees with a lump sum retirement bonus equal to 3 months base salary.
- ❑ For these 2 components, a one-time total of \$547,600 will be disbursed.
 - Amounts range from \$70,300 to \$122,300
 - Average benefit is \$91,300
 - These benefits are not subject to state or federal income tax

Workers' Compensation (Column F)

- ❑ All employees were eligible – however only the 11 with a spouse or child receive an ongoing workers' compensation benefit
 - Spouses will receive an amount equal to 2/3rds of base pay. Benefits continue until death or remarriage.
 - If child is only survivor, then they receive same benefit which continues until the age of 18, or later if a full-time student or disabled.

Workers' Compensation (Continued)

- ❑ State law caps annual workers' compensation benefits at \$33,500
- ❑ In addition, each firefighter qualifies for a \$5,000 death benefit for burial expenses
- ❑ Total of \$328,000 disbursed annually
- ❑ Amounts range from \$18,700 to the maximum amount of \$33,500
- ❑ Not subject to state or federal income tax
- ❑ To be paid by City of Prescott workers' compensation policy

Health Insurance (Column G)

- ❑ Survivors of the 6 permanent employees will qualify for health insurance benefits from the City of Prescott as required by state law.
- ❑ Employer (City of Prescott) continues to pay share of premiums, estimated to be \$9,180 annually for families and \$7,092 for individuals.
- ❑ Survivors are required to pay employee's share of premiums. The City of Prescott has reported that survivors are enrolled in plans that require annual payments of no more than \$504.
- ❑ Spouse receives benefits until death or remarriage
- ❑ Children receive benefits under age 18, or later if full-time student or disabled

Federal Benefits (Column H)

- ❑ U.S. Department of Justice Public Safety Officers' Benefit Program
- ❑ Survivors of all 19 will receive a one-time federal death benefit of \$328,600.
- ❑ These benefits are not subject to state or federal income tax

Educational Benefits (Column I)

- ❑ Spouses and children of all 19 can receive federal higher education benefits.
 - Benefits total \$987 per month for full-time students for a maximum of 45 months.
- ❑ Spouses and children of all 19 firefighters receive a tuition waiver at any of Arizona's public universities or community colleges.
 - For FY 2014, tuition and fees for in-state residents was an average of \$2,200 for community colleges and \$10,000 for public universities.

Total Benefits (Columns J and K)

- ❑ Total ongoing benefits equal \$802,600 annually
 - Permanent employees' survivors receive an average of \$112,500 annually
 - Non-permanent employees with a spouse or child receive an average of \$25,500 annually.
 - Non-permanent employees without a spouse or child receive no ongoing benefits.
- ❑ Total lump sum benefits equal \$7.0 million one-time
 - Permanent employees receive an average of \$428,600 one-time
 - Non-permanent employees receive an average of \$338,500 one-time

Private Donations

- Details regarding all private donations have yet to be finalized.
- At a minimum, the 100 Club provides a \$15,000 benefit to survivors of any Arizona officers or firefighters who died in the line of duty.