



## Commission on Government Forecasting and Accountability

### PENSION IMPACT NOTE *104<sup>TH</sup> General Assembly*

BILL NO: **HB 3255 REVISED**

March 19, 2025

SPONSOR (S): LaPointe

SYSTEM: None (Public Safety Employee Benefits Act)

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#### FISCAL IMPACT

As of CGFA's most recent report on the Public Safety Employee Benefits Act (PSEBA) from December 2024, 151 municipalities reported combined annual health insurance premiums totaling \$10.4 million for catastrophically injured public safety personnel. The proposed legislation would increase municipal liabilities by extending benefits to surviving spouses who remarry. Fewer than 20 spouses in the 2024 PSEBA report are receiving benefits after the death of the original PSEBA recipient. The impact on known affected individuals and municipalities is expected to be minimal.

Since the bill does not explicitly limit the expanded spousal benefit to cases where the primary beneficiary dies after the effective date, an unknown number of widowed spouses could be affected. This would apply to cases where a surviving spouse previously lost PSEBA coverage due to remarriage. If enacted, HB 3255 would restore eligibility for employer-paid health insurance in these instances.

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**SUBJECT MATTER:** HB 3255 amends the Public Safety Employee Benefits Act to require affected municipal employers to pay the health insurance premiums for surviving spouses of deceased PSEBA recipients until the spouse's death (rather than until they remarry).

**COMMENT:** The Public Safety Employee Benefits Act (PSEBA) provides health insurance benefits to full-time law enforcement officers, firefighters, and correctional officers who suffer catastrophic injuries or are killed in the line of duty. It ensures that the employer covers the entire health insurance premium for the injured employee, their spouse, and dependent children.

To qualify, the injury or death must result from specific work-related incidents, such as responding to emergencies, fresh pursuit, or criminal investigations.

HB 3255 would require PSEBA employers to pay the full health insurance premium for PSEBA recipient spouses upon the death of the original PSEBA recipient. Current law requires full health insurance premium payment until the affected spouse remarries. The cost of this legislation to municipalities will vary depending on the insurance benefits offered to PSEBA recipients and their spouses. The Commission on Government Forecasting and Accountability publishes a biennial report on PSEBA, outlining employer costs, program participation, and other factors. As of the last report from December of 2024, most premiums ranged between \$9,571/year and \$26,715/year in 2023.

The bill contains no explicit language limiting this expanded spousal benefit to cases where the primary recipient's death occurs after the effective date.

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