

FINAL BILL REPORT

ESHB 1744

PARTIAL VETO

Synopsis as Enacted

C 502 L 93

Brief Description: Changing provisions relating to the LEOFF system.

By House Committee on Appropriations (originally sponsored by Representatives Heavey, G. Cole, Brough and Orr).

House Committee on Appropriations
Senate Committee on Ways & Means

Background:

LAW ENFORCEMENT OFFICERS

The Washington Mutual Aid Peace Officer Powers Act of 1985 divides law enforcement officers into two general categories. "General authority peace officers" are those with power to enforce any general criminal law of the state of Washington. General authority officers include county and city police, but also police employed by the state's universities and some port districts. These officers are distinguished from "limited authority peace officers" with powers to enforce only the laws over which their employing agency has jurisdiction, such as gambling, liquor control, wildlife, or fisheries enforcement officers.

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) defines an eligible law enforcement officer for purposes of retirement credit as a full-time, fully compensated county sheriff, deputy sheriff, city police officer, or town marshal. Peace officers employed by universities and port districts are outside this LEOFF definition, and therefore are members of the Public Employees' Retirement System (PERS).

Eligibility for full retirement benefits under PERS Plan II comes at age 65. Under LEOFF II, eligibility for full benefits is age 58.

PORTABILITY/DUAL MEMBERSHIP

If an employee leaves employment in one retirement system and moves to another, service credit is split between the two systems. Unless there is a policy of portability, the

employee ends up with a lower retirement benefit than if he or she had remained in one system for an entire career. This is because the benefit in the first retirement system will be calculated using the outdated average final compensation earned by the employee when he or she left the first system.

Portability, or "dual membership," is allowed between most of the state's retirement systems. However, it does not extend to LEOFF.

LEOFF retirement contributions are paid by the employee, the employer, and the state. The employee rate is always equal to the employer and state rates combined, so that the employee shares in the cost of retirement benefits.

Summary:

MEMBERSHIP ELIGIBILITY

Beginning January 1, 1994, the definition of "employer" under Plan II of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF II) includes any general authority law enforcement agency having as its primary function the detection and apprehension of persons violating the traffic or criminal laws in general. Such an agency is distinguished from a limited authority law enforcement agency having as only one of its functions the detection and apprehension of persons violating laws relating to limited subject areas, including the state departments of Fisheries, Wildlife, and Corrections.

Also effective January 1, 1994, the definition of "law enforcement officer" under LEOFF means any person commissioned and employed by an employer to enforce the general criminal laws of the state.

MEMBERSHIP TRANSFER

An employee who, as of January 1, 1994, meets the new definition of law enforcement officer, but was previously a member of the Public Employees' Retirement System (PERS), may address future retirement service credit in one of two ways, by making an irrevocable choice in writing before January 1, 1995:

- (1) The employee may remain a member of PERS; or
- (2) The employee may transfer to LEOFF II and have dual membership with PERS under portability.

If the Department of Retirement Systems determines that transfers of service credit and accumulated contributions between retirement systems are permitted by federal law without causing adverse income tax liability for an employee or the pension funds, then an employee who transferred future credit to LEOFF II can also transfer service credit as a law enforcement officer previously earned in PERS. The employee must make an irrevocable choice in writing within one year of the department's announcement of the ability to make such a transfer.

Any applicable service credit as a law enforcement officer, plus the accumulated employee and employer retirement contributions for the credit, will be transferred from PERS to LEOFF II for an employee who chooses such a transfer.

In addition, the employee must pay the difference between the employee contribution rate in PERS and the contribution rate in LEOFF, plus interest for the transferred credit. The employer must pay the difference between the employer contribution rate in PERS and the rate in LEOFF, plus sufficient interest to ensure that the contribution rate for other LEOFF members does not increase as a result of the transfer.

PORTABILITY/OTHER

Portability is created between LEOFF II and the other state retirement systems, but only for the employees affected by this act who choose to transfer to LEOFF.

Port districts and institutions of higher education must pay both the employer and the state retirement contribution rate in LEOFF for any employees who are law enforcement officers.

The list of issues for consideration by an interest arbitration panel is not to be construed by the panel to require an employer to pay the increased employee contributions toward retirement that result from the benefits provided in this act.

Votes on Final Passage:

House	98	0	
Senate	45	2	(Senate amended)
House	97	0	(House concurred)

Effective: January 1, 1994

Partial Veto Summary: The governor's veto of Section 4 of the bill does not impact the provisions of the bill. The provisions in section 4 were also included in section 8 of

ESHB 1294, which the governor signed. (See VETO MESSAGE)