Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Appropriations

HB 1045

Brief Description: *Reducing the law enforcement officers' and fire fighters' retirement system plan 2 disability actuarial reduction age from fifty-five to fifty-three.*

Sponsors: *Representatives Conway, Delvin, Doumit, Barlean, H. Sommers, Lambert, Alexander, Kagi, O'Brien, McIntire, Hurst, Hatfield, Haigh, Kenney, Edmonds, Keiser and Van Luven.*

Brief Summary of Bill

- *The age from which LEOFF plan 2 disability allowances are actuarially reduced is changed from 55 to 53.*

Hearing Date: *1/23/01.*

Staff: *Andrea Hardy (786-7349).*

Background:

Members of the Law Enforcement Officers and Fire Fighters Retirement System (LEOFF 2) who become totally incapacitated for continued employment are eligible to receive a disability retirement allowance. The disability allowance is actuarially reduced to reflect the difference in the number of years between the age at disability and age 55. The policy reflected by the actuarial reduction is to provide the disabled member with access to his or her retirement benefit at an earlier age, but at no additional cost to the retirement plan.

Prior to September 2000, the normal retirement age for LEOFF 2 members was age 55. Legislation enacted in the 2000 session lowered the normal retirement age to 53, but it inadvertently failed to make a corresponding reduction in the age from which the disability allowance actuarial reduction was calculated.

Summary of Bill:

For LEOFF 2 members who first receive a disability allowance after September 1, 2000, the age from which a disability retirement allowance is actuarially reduced is lowered from age 55 to age 53. Members who retired due to disability between September 1, 2000, and the effective date of the bill will have their allowances recalculated to reflect an actuarial reduction from age 53.

Effective Date: *The bill contains several effective dates. Please refer to the bill.*

Appropriation: *None.*

Fiscal Note: *Requested on January 19, 2001.*