

SENATE BILL REPORT

SB 5514

As Reported By Senate Committee On:
Ways & Means, March 1, 2005

Title: An act relating to choosing a reduced retirement allowance under the law enforcement officers' and fire fighters' retirement system, plan 1.

Brief Description: Choosing a reduced retirement allowance under the law enforcement officers' and fire fighters' retirement system, plan 1.

Sponsors: Senators Keiser, Fraser, Delvin, Regala, Pflug and Rasmussen; by request of Select Committee on Pension Policy.

Brief History:

Committee Activity: Ways & Means: 2/28/05, 3/1/05 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Zarelli, Ranking Minority Member; Brandland, Hewitt, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Regala, Rockefeller, Schoesler and Thibaudeau.

Staff: Erik Sund (786-7454)

Background: The Law Enforcement Officers' and Fire Fighters Retirement System Plan 1 (LEOFF 1) provides comprehensive pension, disability, and medical benefits to law enforcement officers and fire fighters employed by the state, cities, counties, and special districts and who were first employed before October 1, 1977. There are approximately 8,000 retired and 1,000 active members.

The spouse of a retiree of LEOFF 1 is eligible, upon the retiree's death, to receive a survivor benefit for life equal to the retirement allowance received by the retiree. In order to be eligible for this automatic benefit, the spouse must have been married to the LEOFF 1 member for one year prior to retirement. An ex-spouse of a LEOFF 1 member is eligible for this survivor benefit only if he or she had been married to the member for at least 30 years, including at least 20 years prior to retirement, and if there was a court order issued prior to 1980 that provided the survivor benefit to the ex-spouse.

A spouse that a LEOFF 1 member marries after retirement is not eligible for an automatic survivor benefit. If a LEOFF 1 member marries after retirement, a member may instead choose to actuarially reduce their retirement benefit and have a portion of their benefit continue for the lifetime of their spouse after they die. This optional, actuarially-reduced survivor benefit is not available to LEOFF 1 members if their retirement benefit is already divided due to a property division order from a previous divorce.

Summary of Bill: LEOFF 1 members may choose a reduced benefit plus a survivor benefit for their post-retirement marriage spouse if their benefits are already subject to a property division obligation. The Department of Retirement Systems must adopt rules to permit members to select this survivor benefit option no later than July 1, 2005. A member must select this option within one year of the rules being adopted, if married prior to the effective date of the rules, or within one year of his or her marriage.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill will help some LEOFF 1 retirees who are not in receipt of the full amount of their original pension by allowing them to provide spouses from post-retirement marriages with a survivor benefit. The member's retirement allowance is reduced to cover the cost of the additional benefit.

Testimony Against: None.

Who Testified: PRO: Dick Warbrouck, Retired Firefighters of Washington.