

# SENATE BILL REPORT

## SSB 5615

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As Passed Senate, April 13, 2005

**Title:** An act relating to receiving a disability allowance under the law enforcement officers' and fire fighters' retirement system, plan 2.

**Brief Description:** Receiving a disability allowance under the law enforcement officers' and fire fighters' retirement system, plan 2.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Franklin, Delvin, Kohl-Welles, Parlette, Roach, Brown, Schmidt, Berkey, McAuliffe and Oke; by request of LEOFF Plan 2 Retirement Board).

**Brief History:**

**Committee Activity:** Ways & Means: 3/1/05, 4/4/05 [DPS].

Passed Senate: 4/13/05, 47-0.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5615 be substituted therefor, and the substitute bill do pass.

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

**Staff:** Erik Sund (786-7454)

**Background:** Members of the Law Enforcement Officers' and Fire Fighters' Retirement System, Plan 2 (LEOFF 2) are eligible for a retirement allowance of 2 percent of average final salary for each year of service credit earned at age 53. Members of LEOFF 2 may apply for early retirement beginning at age 50; however, the member's benefit is reduced by 3 percent per year below age 53 if the member has 20 or more years of service, and fully actuarially reduced if the member has less than 20 years of service.

A member of LEOFF 2 who is disabled outside of the line of duty may receive a retirement allowance based on the 2 percent of average final salary formula that is actuarially reduced from age 53 to the age at disability.

A LEOFF 2 member disabled in the line of duty is eligible to receive a base retirement allowance of 10 percent of final average salary, which is not subject to income taxes or to actuarial reduction for early retirement, and an additional allowance of 2 percent per year of service that is actuarially reduced for the difference between age 53 and age at retirement. A member of LEOFF 2 who is disabled in the line of duty may request a refund of 150 percent of his or her accumulated contributions in lieu of a disability retirement allowance.

Members of LEOFF 2 are also eligible for job-related disability, medical, and death benefits from the Workers' Compensation System administered by the Department of Labor and Industries.

**Summary of Bill:** A member of LEOFF 2 who is disabled in the line of duty is eligible to receive a basic disability retirement allowance 10 percent of final average salary that is exempt from income taxes and actuarial reduction for early retirement, plus an additional benefit of 2 percent per year of service for each year of service beyond five, which is subject to taxation but not to actuarial reduction for early retirement.

**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 would be of great help to those law enforcement officers and fire fighters who are injured in the line of duty, particularly those who are so grievously injured as to be unable to earn a significant income in any capacity.

**Testimony Against:** None.

**Other:** Although the intent of the bill is laudable, the impact on local governments' budgets is simply too damaging.

**Who Testified:** PRO: Senator Rosa Franklin, prime sponsor; Kelly Fox, Washington State Council of Fire Fighters; Steve Nelsen, Executive Director, LEOFF Plan 2 Retirement Board; Bill Hanson, Washington Council of Police and Sheriffs. OTHER: Jim Justin, Association of Washington Cities; Bill Vogler, Washington State Association of Counties.