
HOUSE BILL 2962

State of Washington

60th Legislature

2008 Regular Session

By Representatives Kelley, Ross, Ericks, Chandler, VanDeWege, Armstrong, Wood, Ahern, Conway, O'Brien, Simpson, Green, McIntire, and Hurst; by request of LEOFF Plan 2 Retirement Board

Read first time 01/18/08. Referred to Committee on Appropriations.

1 AN ACT Relating to providing additional revenues for public safety,
2 including law enforcement officers and firefighters plan 2 pension plan
3 benefits; adding new sections to chapter 41.26 RCW; and creating a new
4 section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that local governments
7 need additional revenues to provide public safety resources in order to
8 protect the citizens of Washington from fire and crime. The
9 legislature finds that the current benefit formula and contributions
10 for the law enforcement officers and firefighters plan 2 are inadequate
11 to modify that formula in recognition of the shorter working careers
12 for firefighters and police officers. The legislature recognizes that
13 although some officers and firefighters are able to work comfortably
14 beyond twenty-five years, the combat nature of fire suppression and law
15 enforcement generally require earlier retirement ages. In recognition
16 of the physical demands of the professions and the inherent risks faced
17 by law enforcement officers and firefighters, eligibility for
18 retirement in the law enforcement officers and firefighters plan 2

1 system has been set at age fifty-three. However, the benefit formula
2 is designed for careers of thirty-five to forty years, making
3 retirement at age fifty-three an unrealistic option for many.

4 Therefore, the legislature declares that it is the purpose of this
5 act to provide local government public safety employers and the law
6 enforcement officers and firefighters plan 2 pension plan with
7 additional shared revenues when state general fund revenues increase by
8 at least one percent over the prior year's collections.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.26 RCW
10 to read as follows:

11 The local public safety enhancement account is created in the state
12 treasury. All receipts from section 4 of this act must be deposited
13 into the account. Expenditures from the account may be used as
14 follows:

15 (1) Fifty percent of the money in the account shall be transferred
16 to the law enforcement officers' and firefighters' retirement system
17 benefits improvement account established in section 3 of this act.

18 (2) The balance shall be distributed by the state treasurer to all
19 jurisdictions with law enforcement officers and firefighters plan 2
20 members on a proportionate share basis based on the number of plan 2
21 members each jurisdiction has on January 1st of the prior year divided
22 by the total number of plan 2 members in the system. Moneys
23 distributed from the balance of the public safety enhancement account
24 may be used for the following purposes: (a) Criminal justice,
25 including those where an ancillary benefit to the civil justice occurs,
26 and includes domestic violence programs; (b) information and assistance
27 to parents and families dealing with at-risk or runaway youth; or (c)
28 public safety.

29 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.26 RCW
30 to read as follows:

31 (1) The local law enforcement officers' and firefighters'
32 retirement system benefits improvement account (benefits account) is
33 created within the law enforcement officers' and firefighters'
34 retirement system plan 2 fund. All receipts from section 2(1) of this
35 act must be deposited into the account.

1 (2) The funds in the benefits account shall not be included by the
2 state actuary in the calculation of the market value of assets of the
3 law enforcement officers' and firefighters' retirement system plan 2
4 fund until the board directs the state actuary in writing to do so for
5 purposes of financing benefits adopted by the board pursuant to and
6 consistent with RCW 41.26.720. The board, in consultation with the
7 state investment board, shall provide the state actuary, in writing,
8 the market value of the amount directed from the benefits account for
9 inclusion in the calculation of the market value of assets of the law
10 enforcement officers' and firefighters' retirement system plan 2 fund.
11 The market value of the amount directed from the benefits account shall
12 be determined as of the date of the direction from the board to include
13 this amount for purposes of financing benefits adopted by the board
14 pursuant to and consistent with RCW 41.26.720.

15 (3) The law enforcement officers' and firefighters' plan 2
16 retirement board shall administer the fund in an actuarially sound
17 manner.

18 (4) The state investment board has the full power to invest,
19 reinvest, manage, contract, sell, or exchange investment money in the
20 benefits account. The state investment board is authorized to adopt
21 investment policies for the money in the benefits account. All
22 investment and operating costs associated with the investment of money
23 within the benefits account shall be paid pursuant to RCW 43.33A.160
24 and 43.84.160. With the exception of these expenses, the earnings from
25 the investment of the money shall be retained by the benefits account.

26 (5) All investments made by the state investment board shall be
27 made with the exercise of that degree of judgment and care pursuant to
28 RCW 43.33A.140 and the investment policy established by the state
29 investment board.

30 (6) When appropriate for investment purposes, the state investment
31 board may commingle money in the fund with other funds.

32 (7) The authority to establish all policies relating to the
33 benefits account, other than the investment policies set forth in this
34 section, resides with the law enforcement officers' and firefighters'
35 plan 2 retirement board. Other than investments by and expenses of the
36 state investment board, disbursements from this fund may be made only
37 on the authorization of the law enforcement officers' and firefighters'

1 plan 2 retirement board for purposes of funding the member, employer,
2 and state cost of financing benefits adopted by the board pursuant to
3 and consistent with RCW 41.26.720.

4 (8) The state investment board shall routinely consult with and
5 communicate with the law enforcement officers' and firefighters' plan
6 2 retirement board on the investment policy, earnings of the trust, and
7 related needs of the benefits account.

8 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.26 RCW
9 to read as follows:

10 By September 30th of each year in which the prior fiscal year's
11 general state revenues exceed the previous fiscal year's revenues by
12 more than one percent, the state treasurer shall transfer the lesser of
13 one-third of the increase, or fifty million dollars, to the local
14 public safety enhancement account.

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