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## Appropriations Committee

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### HB 2479

**Brief Description:** Placing restrictions on retired law enforcement officers and firefighters employed in certain public positions.

**Sponsors:** Representatives Green, Holy, Stonier, Hayes, Freeman and Morrell; by request of LEOFF Plan 2 Retirement Board.

#### Brief Summary of Bill

- Removes the ability for a retiree of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) to return to work and receive a LEOFF 2 retirement allowance in a position that would normally be qualified for LEOFF 2 except for specified reasons.
- Suspends a LEOFF 2 retiree's pension, even if the position they are working in is not qualified for LEOFF 2 for additional reasons, including: (1) if a position is less than full-time, (2) if a position is less than fully compensated, (3) if a position is not fully commissioned, (4) if a position includes additional non-LEOFF duties, or (5) if a retiree is designated as an independent contractor.

**Hearing Date:** 1/27/14

**Staff:** David Pringle (786-7310).

#### Background:

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) provides retirement benefits to full-time general authority law enforcement officers and firefighters throughout Washington. To be eligible for the LEOFF as a law enforcement officer, an employee must be employed on a full-time, fully compensated basis by a governmental entity that meets the definition of a general authority law enforcement agency, be a general authority law enforcement officer and meet the training or other requirements of his or her job. To be eligible as for the LEOFF as a Fire Fighter, an employee serving on a full-time, fully compensated basis

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as a member of a fire department as a qualified fire fighter, emergency medical technician, or as fire fighter supervisory personnel.

Typically, regular employees of LEOFF employers whose positions do not meet the criteria for LEOFF membership are included in the Public Employees' Retirement System or the First Class Cities' Retirement Systems (FCCRS).

In most systems and plans of the Washington State Retirement Systems aside from the LEOFF 2, such as the PERS or the Teachers' Retirement System (TRS), post-retirement employment provisions allow retirees to work 867 hours per year while collecting their full pension. When a retiree in these systems exceed 867 hours, retirement benefits are suspended for the remainder of the year. This allows part-time work or periods of full-time work in retirement benefits-eligible position. These post-retirement employment provisions do not apply to the LEOFF 2, however. Instead, members of the LEOFF 2 that retire and are employed in positions covered by plans such as the PERS or the TRS have the option of either continuing to receive their LEOFF 2 retirement benefits while working full-time and not earn service in the retirement plan that applies to the position, or suspending LEOFF 2 retirement benefits and joining the new retirement plan, potentially earning an additional retirement benefit upon future re-retirement.

Because LEOFF positions must meet stringent criteria for inclusion, jobs that normally would be covered by the LEOFF 2 could be made ineligible, or arguably ineligible, by slightly altering employment terms. These alterations could include employment on a slightly less than full-time basis, providing slightly less compensation than is typical for the LEOFF position by the employer, limiting the authority of arrest associated with the position, or including non-LEOFF duties with the position. Also, classification of a position as an independent contractor, rather than as an employee, would permit the employer and the contractor/employee to assert that collection of LEOFF retirement benefits should be unaffected by the compensation arrangement.

**Summary of Bill:**

Retirement benefits for retired members of the LEOFF 2 are suspended if a member to return to work in a position that is not covered by LEOFF 2, but would be qualified for LEOFF 2 except that: (1) the position is less than full-time, (2) the position is less than fully compensated, (3) the position is not fully commissioned, (4) the position includes additional non-LEOFF duties, or (5) the retiree is designated as an independent contractor.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.