

FINAL BILL REPORT

SSB 6264

C 222 L 16
Synopsis as Enacted

Brief Description: Allowing certain Washington state patrol retirement system and law enforcement officers' and firefighters' members to purchase annuities.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Conway, Bailey, Rivers, Hasegawa, O'Ban, Frockt, Schoesler, Darneille, Liias and Rolfes; by request of LEOFF Plan 2 Retirement Board).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: Members of Plan 2 of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF 2) are eligible for a retirement allowance at age 53 that is equal to 2 percent times the member's years of service times the member's average final compensation. Members of LEOFF 2 may add up to five years of service credit for the calculation of their retirement allowance by paying the actuarial equivalent value of the increase in the member's benefit. Subject to rules adopted by the Department of Retirement Systems (DRS), the payment can be made with a lump sum payment, an eligible or direct rollover, or a trustee-to-trustee transfer from an eligible retirement plan.

Many members of LEOFF 2 also participate in employer-sponsored tax-deferred savings plans established under sections 401(a), 403(b), and 457 of the federal Internal Revenue Code.

Under legislation enacted in 2014, at the time of retirement, members of LEOFF 2 may purchase an optional actuarially equivalent life annuity from the LEOFF 2 fund with a minimum payment of \$25,000. The payment may be made through an eligible or direct rollover, or trustee-to-trustee transfer from a tax-qualified plan offered by a governmental employer.

Summary: Members of LEOFF Plan 2 who retired prior to June 1, 2014, may purchase an optional actuarially equivalent life annuity from the LEOFF 2 fund with a minimum payment of \$25,000. The payment may be made through an eligible or direct rollover, or trustee-to-trustee transfer from a tax-qualified plan offered by a governmental employer. The annuity may be purchased between January 1 and June 1, 2017.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Members of LEOFF Plan 1 at time of retirement may purchase an optional actuarially equivalent life annuity from the LEOFF 1 fund with a minimum payment of \$25,000. The payment may be made through an eligible or direct rollover, or trustee-to-trustee transfer from a tax-qualified plan offered by a governmental employer. Plan 1 members who previously retired may purchase the annuity between January 1 and June 1, 2017.

Members of Washington State Patrol Retirement System who retired prior to July 24, 2015, may purchase an optional actuarially equivalent life annuity from the LEOFF 2 fund with a minimum payment of \$25,000. The payment may be made through an eligible or direct rollover, or trustee-to-trustee transfer from a tax-qualified plan offered by a governmental employer. The annuity may be purchased between January 1 and June 1, 2017.

DRS must adopt rules regarding eligible rollovers and transfers to ensure they comply with federal requirements and that the rollovers and transfers are conditioned on the receipt of information needed by DRS to determine their eligibility for tax-free treatment under federal tax law.

The bill is contingent on specific funding being provided in the 2016 Supplemental Budget.

Votes on Final Passage:

Senate	47	0	
House	96	1	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 9, 2016