

# SENATE BILL REPORT

## SHB 2786

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As of February 24, 2018

**Title:** An act relating to membership in the law enforcement officers' and firefighters' retirement system plan 2 for firefighters employed by the department of corrections or the department of social and health services and serving at a prison or civil commitment center located on an island.

**Brief Description:** Concerning membership in the law enforcement officers' and firefighters' retirement system plan 2 for firefighters employed by the department of corrections or the department of social and health services and serving at a prison or civil commitment center located on an island.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Kilduff and Muri).

**Brief History:** Passed House: 2/13/18, 94-4.

**Committee Activity:** Ways & Means: 2/24/18.

### Brief Summary of Bill

- Expands the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plan 2 membership to include firefighters working for the Department of Social and Health Services (DSHS) and the Department of Corrections (DOC).

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Amanda Cecil (786-7460)

**Background:** LEOFF provides retirement and disability benefits to full-time, fully compensated general authority law enforcement officers and firefighters. Members of the plan first becoming eligible for LEOFF on or after October 1, 1977, are members of LEOFF Plan 2. LEOFF Plan 2 provides for retirement benefits based on 2 percent of a member's average final salary per year of service credit and a normal retirement age of 53. Enhanced early retirement benefits are available to members with 20 or more years of service, and disability benefits are provided for members disabled, or catastrophically disabled, in the line of duty. Contributions are paid into LEOFF Plan 2 by employees (50 percent of the total

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rate), employers (30 percent), and the state (20 percent). The total contribution rate for LEOFF Plan 2 is 17.5 percent of pay.

Membership in LEOFF Plan 2 requires that an individual be employed by a LEOFF employer, and as a firefighter; be employed on a full-time, fully compensated basis as a member of a fire department; be employed as a supervisory firefighter; or be employed as a full-time, fully compensated emergency medical technician providing emergency medical services. LEOFF employers are mostly local government entities such as cities, towns, counties, and fire districts. Among state government agencies, only general authority law enforcement agencies and four-year institutions of higher education with fully operational fire departments as of January 1, 1996, are LEOFF employers.

Individual employees that work for state agencies in positions that do not meet the employer or employee definitions for the LEOFF Plan 2 are generally members of the Public Employees' Retirement System Plans 2 or 3, or in limited circumstances the Public Safety Employees' Retirement System.

**Summary of Bill:** DSHS and DOC are added to the definition of employer for LEOFF when employing firefighters serving at a prison or civil commitment center on an island. Fire department for purposes of LEOFF includes a fire station operated by DSHS or DOC when employing firefighters in a prison or civil commitment center on an island. New employees in these positions will become members of the LEOFF Plan 2.

Members of the Public Employees' Retirement System (PERS) Plan 2 or Plan 3 made newly eligible for LEOFF may choose between remaining in PERS or transferring to LEOFF for periods of future service. For members electing to transfer to LEOFF Plan 2, during a one-year period beginning on the effective date of the bill, service credit earned in PERS Plan 2 or Plan 3 as a DSHS or DOC firefighter before the effective date of the act may be transferred to LEOFF Plan 2. The member must contribute the difference between employee contributions made to PERS and the contributions that would have been made to LEOFF Plan 2 for the period of service being transferred. Upon completion of payments, but no later than five years from the decision to transfer, all of the member and employer contributions, plus the member's service credit, shall be transferred from PERS Plan 2 to LEOFF Plan 2.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The legislature decided a long time ago that firefighters should not work until they are 60 years old and this should cover firefighters at McNeil Island.

**Persons Testifying:** PRO: Geoff Simpson, Washington State Council of Fire Fighters.

**Persons Signed In To Testify But Not Testifying:** No one.