

HOUSE BILL REPORT

SSB 5791

As Reported by House Committee On:
Appropriations

Title: An act relating to law enforcement officers' and firefighters' retirement system benefits.

Brief Description: Concerning law enforcement officers' and firefighters' retirement system benefits.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Schoesler and Short).

Brief History:

Committee Activity:

Appropriations: 2/22/22, 2/24/22 [DP].

Brief Summary of Substitute Bill

- Provides Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 members with a one-time lump sum equal to \$100 per month of service for retirees and a minimum of \$20,000 for catastrophic and duty disability retirees, and duty death beneficiaries.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 32 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Harris, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

Staff: David Pringle (786-7310).

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

Background:

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) provides retirement benefits to full-time, fully-compensated law enforcement officers and firefighters employed by the state, cities, counties, and special districts. Law enforcement officers and firefighters who entered service between 1969 and October 1, 1977, were enrolled in LEOFF Plan 1 (LEOFF 1). Those entering service after that date are part of LEOFF Plan 2 (LEOFF 2).

The LEOFF 1 has been funded by a combination of contributions from three parties—the employers, the employees, and the state. State contributions represent almost 80 percent of historic contributions to LEOFF 1, with the remaining 20 percent having been contributed in even amounts by employees and local government employers. In June 2000, LEOFF 1 contribution rates were suspended as the fund's assets significantly exceed the total actuarial liabilities. Based on the 2020 actuarial valuation, LEOFF 1 is 148 percent funded with a surplus of \$1.92 billion, a surplus that is expected to increase substantially in future actuarial valuations, as investment gains exceeded benefit payments by about \$1 billion during fiscal year 2021.

The LEOFF 1 currently has approximately 6,808 annuitants and 10 active members. Of those annuitants, about 2,170 are service retirees, 1,250 left service with disabilities, and 1,700 are survivor beneficiaries.

Summary of Bill:

The LEOFF 1 active members, retirees, and beneficiaries will receive a one-time lump sum benefit equal to \$100 per service credit month. Members and beneficiaries of a member who retired with a line-of-duty disability will receive the greater of a one-time lump sum benefit equal to \$100 per service credit month or \$20,000.

Appropriation: None.**Fiscal Note:** Available.**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.**Staff Summary of Public Testimony:**

(In support) The LEOFF 1 system was closed in 1977 and has a surplus that is probably close to \$2 billion. The group is getting older. Firefighters do not have Social Security, and

the older ones don't have deferred compensation. This passed the Senate unanimously, and provides a similar benefit that House Bill 1721 provides to LEOFF 2 retirees. Members with spouses in care centers need help, and this bill would do that.

(Opposed) None.

Persons Testifying: Senator Mark Schoesler, prime sponsor; Dick Warbrouck, Retired Firefighters of Washington; Bud Sizemore, Washington State Council of Fire Fighters; Don McCabe; and Joyce Willms, Law Enforcement Officers' and Fire Fighters' 1 Coalition.

Persons Signed In To Testify But Not Testifying: None.