

SENATE BILL REPORT

SB 5791

As Reported by Senate Committee On:
Ways & Means, January 31, 2022

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: Senators Schoesler and Short.

Brief History:

Committee Activity: Ways & Means: 1/17/22, 1/31/22 [DPS, w/oRec].

Brief Summary of First 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.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5791 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Schoesler, Assistant Ranking Member, Capital; Honeyford, Ranking Minority Member, Capital; Billig, Braun, Conway, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Mullet, Muzzall, Pedersen, Rivers, Wagoner, Warnick and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senators Carlyle and Van De Wege.

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.

Staff: Amanda Cecil (786-7460)

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).

LEOFF 1 has been funded by a combination of contributions from three parties—the employers, the employees, and the state. 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. LEOFF 1 currently has approximately 6808 annuitants and 10 active members.

Summary of Bill (First Substitute): LEOFF 1 active members, retirees, and beneficiaries will receive a one-time lump sum benefit equal to \$100 per service credit year. 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 year or \$20,000.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

Removes all the sections related to plan 2 benefits and funding leaving just the plan 1 benefit enhancement.

Appropriation: None.

Fiscal Note: Requested on January 11, 2022.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: These benefit improvements are almost identical to SB 5453 from last year. The increased benefit multiplier for LEOFF 2 will keep law enforcement officers and firefighters around longer and help agencies manage the current worker shortage. Contributions haven't been made to Plan 1 since 2000. This bill thanks the plan 1 members and does not include a merger.

CON: This bill was not brought to stakeholders for consensus among the various groups representing LEOFF 1 retirees. All the LEOFF 1 organizations should get a chance to provide feedback.

OTHER: The LEOFF 1 provisions of this bill need to be brought forward to the stakeholders to work to find consensus. The Washington State Council of Firefighters would like to participate in that stakeholder work.

Persons Testifying: PRO: Senator Mark Schoesler, Prime Sponsor.

CON: Ken Crowder, Wa. Assoc. Retired Police Officers.

OTHER: Bud Sizemore, WSCFF.

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