

FINAL BILL REPORT

HB 1481

C 77 L 23

Synopsis as Enacted

Brief Description: Permitting general authority peace officers certificated by the criminal justice training commission and employed on a full-time basis by the government of a federally recognized tribe to participate in the law enforcement officers' and firefighters' retirement system plan 2.

Sponsors: Representatives Cortes, Stearns, Chopp, Chapman, Peterson, Jacobsen, Ramel, Orwall, Ormsby, Reeves, Senn, Leavitt, Ortiz-Self, Taylor, Bergquist and Pollet.

House Committee on Appropriations

Senate Committee on Ways & Means

Background:

The Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) provides retirement benefits to full-time, fully compensated law enforcement officers and firefighters employed by the state, cities, counties, and special districts, who were first employed in an eligible position on or after October 1, 1977.

The basic retirement allowance for LEOFF 2 retirees is equal to 2 percent of the member's average final compensation, calculated on the member's highest consecutive five years of compensation, multiplied by the member's years of service. Retirement benefits are available to members at a normal retirement age of 53. Members with at least 20 years of service may take a reduced early retirement benefit beginning at age 50. Early retirement benefits are reduced by up to 3 percent per year before the retiree reaches age 53.

The LEOFF 2 benefits are funded by contributions from members, employers, and the state, as well as by investment earnings. Contribution rates are set biennially by the LEOFF 2 Board and are allocated as follows: 50 percent is paid by members, 30 percent is paid by employers, and the remaining 20 percent is paid by the state. Several types of LEOFF 2 employers, including port districts and institutions of higher education, contribute both the employer and state shares of the contribution rate. Contribution rates established by the

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.

LEOFF 2 Board are subject to revision by the Legislature. In addition to setting contribution rates, the LEOFF 2 Board also studies issues related to plan funding and benefits and makes recommendations to the Legislature.

There are 29 federally recognized tribes in Washington, each of which are considered sovereign nations and have immunity from suit in state or federal court. In Washington, tribes have signed limited waivers of sovereign immunity, typically in the form of state-tribal compacts, subjecting themselves to the laws of the state of Washington and to suit in state court. Some of these compacts include state-tribal gaming compacts under the federal Indian Gaming Regulatory Act and for the operation of tribal compact schools under state law. In 2018 the Legislature authorized a state-tribal compact to permit the participation of tribal-compact school employees in the Teachers' Retirement System (TRS) and the School Employees' Retirement System (SERS). Participation by tribal-compact school employees in TRS and SERS required tribes opting to participate to meet a number of specified conditions, including a limited waiver of sovereign immunity.

Summary:

Federally recognized tribes in Washington that operate police departments are permitted to opt in to the Law Enforcement Officers' and Firefighters' Retirement System Plan 2 (LEOFF 2).

A tribe opting to participate in the LEOFF 2 must enter a state-tribal compact negotiated between the Governor and the governing body of the tribe. The compact must include provisions related to reporting records and allowing audits, waiving sovereign immunity for enforcing LEOFF 2 rules, and dissolution procedures for tribes ceasing participation in the LEOFF 2. These dissolution procedures specifically include withdrawal liability that could be assessed to the tribe and include examples of the scale of withdrawal liability.

Participation in the LEOFF 2 is limited on an employee basis to full-time General Authority Peace Officers currently certified by the Criminal Justice Training Commission and employed in the police department of a participating tribe.

A tribe opting to participate in LEOFF 2 must contribute both the employer and state shares of the cost of the retirement system for their employees that are LEOFF 2 members.

Tribal law enforcement officers participating in the LEOFF 2 are provided the option to purchase specified periods of past service by paying the actuarial value of the resulting increase in their retirement benefit. Payment must be completed within five years and prior to retirement. This option must be exercised by members between July 1, 2025, and June 30, 2026.

Votes on Final Passage:

House 96 0

Senate 48 0

Effective: July 1, 2025