

HOUSE BILL REPORT

HB 2862

As Reported by House Committee On: Ways & Means

Title: An act relating to membership in the public employees' retirement system.

Brief Description: Allowing the state director of fire protection to refuse membership in the public employees' retirement system.

Sponsors: Representatives Van De Wege, Conway, Ericks, Simpson and Kessler.

Brief History:

Committee Activity:

Ways & Means: 2/3/10, 2/6/10 [DP].

Brief Summary of Bill

- Permits individuals employed as the State Director of Fire Protection (State Fire Marshal) that were previously members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) to remain members of LEOFF 2 in lieu of becoming a member of the Public Employees' Retirement System.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass. Signed by 22 members: Representatives Linville, Chair; Ericks, Vice Chair; Sullivan, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Cody, Conway, Darneille, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Priest, Ross, Schmick and Seaquist.

Staff: David Pringle (786-7310).

Background:

The Law Enforcement Officers and Fire Fighters' Retirement System (LEOFF) provides retirement benefits to full-time general authority law enforcement officers and firefighters throughout Washington. All employees first employed in LEOFF-eligible positions since

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1977 have been enrolled in LEOFF Plan 2, which allows for an unreduced retirement allowance at age 53. LEOFF Plan 2 permits early retirement beginning at age 50 for members with 20 years of service with a 3 percent per year reduction of their retirement allowance.

All employees first employed in Public Employees Retirement System (PERS)-eligible positions since 1977 have been enrolled in PERS Plan 2/3, which allows for an unreduced retirement allowance at age 65. The PERS 1, in contrast, permits members to retire at any age after 30 years of service, at age 55 with 25 years of service, and at age 60 with five years of service.

If a member of one state retirement system leaves eligible employment and goes to work in a position that is eligible for membership in another of the state retirement systems, that member will become a dual member. Dual members can earn a retirement allowance in each system, with each benefit subject to the regulations of its system. Under the portability benefits provided under state law, a dual member may combine years of service from both plans to determine retirement eligibility and may use the highest average final compensation earned under either system to calculate retirement allowances under both systems. If a dual member is eligible to retire under one system but not the other, the member may retire; however, the benefit paid from the plan under which the member would not ordinarily be able to retire is subject to full actuarial reduction.

The Washington State Fire Marshal's Office (Fire Marshal) is organized as a bureau within the Washington State Patrol. The Fire Marshal is responsible for fire and safety inspections in licensed facilities such as nursing homes and hospitals, licensing of the fireworks and sprinkler industries, conducting training of fire service personnel, and engaging in studies and strategic planning relating to fire prevention.

The positions of State Director of Fire Protection, which is commonly referred to as the State Fire Marshal, and Deputy Fire Marshals, are eligible for membership in PERS.

Summary of Bill:

If a LEOFF 2 member leaves LEOFF-eligible employment to serve as the State Director of Fire Protection, then that member may elect to continue membership in LEOFF 2 only, rather than becoming a dual member of LEOFF 2 and PERS 2/3.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) The position of State Fire Marshal is currently vacant, and Chief Batiste is hoping that this change could be made now to assist with recruiting a new State Fire Marshal.

(Opposed) None.

Persons Testifying: Mike Brown, Washington Fire Chiefs.

Persons Signed In To Testify But Not Testifying: None.