

HOUSE BILL REPORT

HB 2191

As Reported By House Committee On:

Appropriations

Title: An act relating to admitting fire fighters for institutions of higher education into the law enforcement officers' and fire fighters' retirement system.

Brief Description: Creating a retirement option for certain fire fighters.

Sponsors: Representatives Cooke, Ogden, Carlson, Sehlin, H. Sommers, Dickerson, Conway and Kessler; by request of Joint Committee on Pension Policy.

Brief History:

Committee Activity:

Appropriations: 1/16/96, 2/3/96 [DPS].

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 28 members: Representatives Huff, Chairman; Clements, Vice Chairman; Pelesky, Vice Chairman; H. Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Beeksma; Brumsickle; Carlson; Chappell; Cooke; Crouse; Dellwo; Dyer; Foreman; Grant; Hickel; Jacobsen; Kessler; Lambert; Linville; McMorris; Poulsen; Reams; Rust; Sehlin; Sheahan; Talcott and Wolfe.

Minority Report: Without recommendation. Signed by 1 member: Representative Hargrove.

Staff: Elissa Benson (786-7191).

Background: Membership in the Law Enforcement Officers and Fire Fighters Retirement System Plan II (LEOFF II) consists of law enforcement officers and fire fighters. A fire fighter must be employed by a city, town, county, or district to be a member of LEOFF II. To be a member of LEOFF II, a law enforcement officer must be employed by a city, town, county, district, or general authority law enforcement agency. The LEOFF II plan, including the original definition of membership, was established in October 1977. In 1993, the Legislature modified the definition of "law enforcement officer" to include police employed by four-year higher education institutions and the ports of Seattle and Pasco.

Fire fighters employed by Washington State University (WSU) are members of the Public Employees Retirement System (PERS), some with membership in Plan I, some in Plan II. No other four-year public universities currently employ fire fighters. Washington State University fire fighters complete the same training as other fire fighters and have equivalent job duties.

Normal retirement in LEOFF II is at age 55; normal retirement in PERS II is at age 65. Most fire fighters employed by state and local agencies are members of the LEOFF retirement system.

Contributions to LEOFF are made as a percentage of the basic salary of the member. For employer and state contributions to LEOFF II, there are two different contribution frameworks. First, for all law enforcement officers and fire fighters, other than higher education police and port police, the employer pays 30 percent and the state pays 20 percent. Second, for higher education police and port police, the employer pays 50 percent. Under both frameworks, the employee pays the remaining 50 percent of the total.

Summary of Substitute Bill: The definition of "employer" is amended to include an institution of higher education that has a fully operational fire department on January 1, 1996.

New fire fighters hired after the effective date of the act would be members of LEOFF II.

Current WSU fire fighters who are members of PERS have three choices regarding their retirement benefit. First, they may remain members of PERS. Second, they may maintain their past PERS membership and make the irrevocable choice to join LEOFF II prospectively only. In this case, the members may use portability and combine service credit from PERS and LEOFF for purposes of determining eligibility for a retirement benefit. Third, the members may make the irrevocable choice to join LEOFF II prospectively and transfer their past PERS service credit to LEOFF II. Past PERS service credit will be transferred after the members pay the difference between the employee contributions actually made to PERS and the employee contributions that would have been made to LEOFF II had the member been a member of LEOFF II, plus interest as determined by the director of the Department of Retirement Services. The payments must be completed by December 31, 1998, or by retirement, whichever comes first.

The employer must pay the difference between the employer contributions paid to PERS and the combined state and employer contributions which would have been payable to LEOFF II for that period of service. The employer must also pay the amount necessary to ensure there will be no additional benefit cost to LEOFF II.

An employee choosing to transfer into LEOFF II must inform the Department of Retirement Systems no later than January 1, 1997.

As do employers of higher education and port police, the employer will pay 50 percent of the total contribution rate for members who transfer to LEOFF II.

Substitute Bill Compared to Original Bill: The original bill contained language that would result in ports paying both the state and employer contributions for fire fighters employed by the ports. This change was not intended. The substitute bill clarifies that ports employing fire fighters shall pay only the local employer contribution. The original bill added an unnecessary subsection to the definition of fire fighters. The original bill had no deadline for the payment of employee contributions by those employees transferring from PERS to LEOFF.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: There is no reason the fire fighters at Washington State University should not be in LEOFF. They perform the same duties and must meet the same standards as fire fighters in LEOFF.

Testimony Against: None.

Testified: Jimmy Cason, Washington State Council of Fire Fighters; and Duane M. Malo, Washington Association of Fire Chiefs.