

SENATE BILL REPORT

SB 6154

As Reported By Senate Committee On:
Ways & Means, January 24, 1996

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: Senators Bauer, Long, Fraser, Winsley and Roach; by request of Joint Committee on Pension Policy.

Brief History:

Committee Activity: Ways & Means: 1/11/96, 1/24/96 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6154 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Drew, Finkbeiner, Fraser, Hargrove, Hochstatter, Long, Moyer, Roach, Sheldon, Spanel, Strannigan, West and Winsley.

Staff: Denise Graham (786-7715)

Background: Membership in the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) 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 2. A law enforcement officer, to be a member of LEOFF 2, must be employed by a city, town, county, district or general authority law enforcement agency to enforce criminal laws of the state. General authority law enforcement agencies include law enforcement departments at the state's four-year higher education institutions and the ports of Seattle and Pasco.

Fire fighters employed by Washington State University are members of the Public Employees' Retirement System (PERS), some with membership in Plan 1, some in Plan 2. No other four-year public universities currently employ fire fighters.

Normal retirement in LEOFF 2 is at age 55; normal retirement in PERS 2 is at age 65. Of the total contribution cost for LEOFF 2, the employee pays 50 percent, the employer pays 30 percent, and the state pays 20 percent. The exception to this is for general authority peace officers at the state's colleges and ports where the employer and employee each pay 50 percent.

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.

Current members of PERS who are fire fighters at such institutions of higher education have one year to make an irrevocable decision to:

- (a) Transfer to LEOFF 2 retroactively. The employee must pay the difference between the employee contributions made to PERS and those contributions that would have been required had the person been a member of LEOFF 2, plus interest. The payments must be completed by December 31, 1998, or by retirement, whichever comes first. The employer must pay whatever amount is necessary to insure the LEOFF 2 contribution rate does not increase due to the transfer; or
- (b) Transfer to LEOFF 2 prospectively, retaining past service credit in PERS; or
- (c) Stay in PERS.

For those who choose to become members of LEOFF 2, the employer pays 50 percent of the costs and the employee pays 50 percent of the costs.

Substitute Bill Compared to Original Bill: 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: Ninety days after adjournment of session in which bill is passed.

Testimony For: There is no reason the fire fighters at Washington State University shouldn't 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.