

SENATE BILL REPORT

HB 2479

As of February 26, 2014

Title: An act relating to retired law enforcement officers and firefighters employed in certain public positions.

Brief Description: Placing restrictions on retired law enforcement officers and firefighters employed in certain public positions.

Sponsors: Representatives Green, Holy, Stonier, Hayes, Freeman and Morrell; by request of LEOFF Plan 2 Retirement Board.

Brief History: Passed House: 2/18/14, 97-0.

Committee Activity: Ways & Means: 2/27/14.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Pete Cutler (786-7474)

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. To be eligible for LEOFF as a law enforcement officer, an employee must (1) be employed on a full-time, fully compensated basis by a governmental entity that meets the definition of a general authority law enforcement agency; (2) be a general authority law enforcement officer; and (3) meet the training or other requirements of that job. To be eligible for LEOFF as a firefighter, an employee must be serving on a full-time, fully compensated basis as a member of a fire department as a qualified firefighter, emergency medical technician, or as firefighter supervisory personnel. Typically, regular employees of LEOFF employers whose positions do not meet the criteria for LEOFF membership are included in the Public Employees' Retirement System (PERS) or the First Class Cities' Retirement Systems (FCCRS).

In most systems and plans of the Washington State Retirement Systems aside from LEOFF 2, such as PERS or the Teachers' Retirement System (TRS), post-retirement employment provisions allow retirees to work 867 hours per year while collecting their full pension. When a retiree in these systems exceeds 867 hours, retirement benefits are suspended for the remainder of the year. This allows part-time work or periods of full-time work in retirement benefits-eligible positions without suspension of retirement benefits. However, these post-retirement employment provisions do not apply to LEOFF 2. Instead, LEOFF 2 members

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who retire and are subsequently employed in positions covered by plans such as PERS or TRS have the option of either continuing to receive their LEOFF 2 retirement benefits while working full time and not earning service in the retirement plan that applies to the position, or suspending LEOFF 2 retirement benefits and joining the new retirement plan, potentially earning an additional retirement benefit upon future re-retirement.

Because LEOFF positions must meet stringent criteria for inclusion, jobs that normally would be covered by the LEOFF 2 could be made ineligible, or arguably ineligible, by slightly altering employment terms. These alterations could include employment on a slightly less than full-time basis, providing slightly less compensation than is typical for the LEOFF position, limiting the authority of arrest associated with the position, or including non-LEOFF duties with the position. Also, classification of a position as an independent contractor, rather than as an employee, would permit the employer and the contractor or employee to assert that collection of the LEOFF retirement benefits should be unaffected by the compensation arrangement.

Summary of Bill: Retirement benefits for retired members of LEOFF 2 are suspended if a member returns to work in a position that is not covered by LEOFF 2, but would be qualified for LEOFF 2 except that (1) the position is less than full time; (2) the position is less than fully compensated; (3) the position is not fully commissioned; (4) the position includes additional non-LEOFF duties; or (5) the retiree is designated as an independent contractor.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: No public hearing was held.

Persons Testifying: N/A.