

HOUSE BILL REPORT

HB 1936

As Reported by House Committee On: Appropriations

Title: An act relating to allowing members of the public employees' retirement system plans 1 and 2 employed as emergency medical technicians to transfer to the law enforcement officers' and fire fighters' retirement system plan 2.

Brief Description: Allowing members of the public employees' retirement system plans 1 and 2 employed as emergency medical technicians to transfer to the law enforcement officers' and fire fighters' retirement system plan 2.

Sponsors: Representatives Upthegrove, Hinkle, Simpson, Priest, Miloscia, Schual-Berke, P. Sullivan, Williams, Hasegawa and O'Brien.

Brief History:

Committee Activity:

Appropriations: 3/5/05 [DPS].

Brief Summary of Substitute Bill

- Provides members of the Public Employees' Retirement System (PERS) employed in a full-time, fully compensated position as emergency medical technicians (EMT) membership in the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2).
- Optionally transfers past service credit earned in PERS as an EMT into LEOFF 2 if the member pays the difference between the contributions the member made in PERS, and the contributions plus interest the member would have made if the service was originally earned in LEOFF 2.
- Requires that upon payment of contributions by a member, the PERS service credit is transferred to LEOFF 2, along with the member's accumulated contributions in PERS and equal amount of employer contributions. The employer is then required to make a contribution to LEOFF 2 sufficient to ensure that the contributions required by all employers to LEOFF 2 will not increase due to the service credit transfer.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 28 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Pearson, Priest, Schual-Berke, Talcott and Walsh.

Staff: David Pringle (786-7310).

Background:

Emergency Medical Technicians (EMTs) employed by local governments in health departments or other divisions of local governments are members of the Public Employees' Retirement System (PERS). The Law Enforcement Officers and Fire Fighters' Retirement System (LEOFF) is limited in membership to specific employers, employees, and only those employees with specific training and performing specific jobs. Generally, LEOFF is limited to full-time, fully-authorized general authority law enforcement officers and full-time, fully-compensated fire fighters employed by fire departments. An EMT employed by local governments in fire departments who are also qualified fire fighters are members of LEOFF.

All employees first employed in PERS-eligible positions since 1977 have been enrolled in PERS Plan 2/3, which allows for an unreduced retirement allowance at age 65. All employees first employed in LEOFF-eligible positions since 1977 have been enrolled in LEOFF Plan 2 (LEOFF 2), which allows for an unreduced retirement allowance at age 53. Those first employed in PERS and LEOFF-eligible positions before 1977 may be eligible to resume participation in PERS 1 or LEOFF 1 upon resumption of eligible employment.

Several local government EMTs had their jobs moved from various local government entities to fire departments. Upon meeting all the requirements to become fire fighters, such as training and applicable examinations, these EMTs employed at fire departments become members of LEOFF.

In 2003, House Bill 1202 was enacted, permitting members of LEOFF whose jobs as EMTs were moved into fire departments the opportunity to transfer past service credit from PERS into LEOFF. The LEOFF members who elect to transfer service credit earned as an EMT in PERS are required to pay the difference between the contributions that they paid into PERS, and the contributions that they would have paid into LEOFF, plus interest.

Members with service in both PERS 2 and LEOFF 2 may use the portability provisions of state retirement law to combine years of service and average salary for purposes of retirement eligibility, but the retirement ages of each plan still apply to the benefit receivable from each plan. The consequence of this is that only a reduced PERS 2/3 benefit is available to a member with service in PERS 2 and LEOFF 2 at the LEOFF 2 normal retirement age.

Summary of Substitute Bill:

The definition of "fire fighter" in LEOFF is amended to include any person who is employed on a full-time, fully compensated basis as an emergency medical technician by a city, town, county or district. Members of PERS 2 employed as EMTs are transferred to LEOFF 2 for purposes of future service.

An EMT transferred to LEOFF 2 may also elect to transfer past service earned as an EMT in PERS into LEOFF 2. For the period of past service a member transfers, the member must pay the difference between the employee contributions made to PERS, and the contributions that would have been made had the service been performed in LEOFF 2, plus interest. The employee must complete this payment within five years of applying to the Department of Retirement Systems to transfer the past service credit.

Upon an employee's completing the required payment, the member's service credit and accumulated contributions, and an equal amount of employer contributions are transferred from PERS 2 to LEOFF 2. Within five years of the employee completing payment for the transfer of service credit, the employer is required to pay into LEOFF 2 an amount sufficient to ensure that the contribution rates for LEOFF 2 plan will not increase due to the transfer of service.

The act expires July 1, 2013.

Substitute Bill Compared to Original Bill:

The original bill did not require employers to pay into LEOFF 2 to ensure that contributions are unaffected by service credit transfers.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: I am a long-time veteran publicly-employed paramedic, and was formerly a fire fighter paramedic. Several groups of paramedics have recently been transferred into fire departments and were already permitted to transfer their service fully into LEOFF. Please include this small group that has been barred from doing the same by regional politics. Probably not the entire 60 people identified in the fiscal note would transfer - some are already too old to take advantage of the terms of the bill.

Testimony Against: None.

Persons Testifying: Michael Wilson, Washington State Council of Fire Fighters.

Persons Signed In To Testify But Not Testifying: None.