Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Appropriations Committee

HB 2890

Brief Description: Allowing department of fish and wildlife enforcement officers to transfer service credit.

Sponsors: Representatives Simpson, Curtis and Blake; by request of LEOFF Plan 2 Retirement Board.

Brief Summary of Bill

- Permits Department of Fish and Wildlife Enforcement Officers to transfer service credit earned in the Public Employees' Retirement System(PERS) Plan 2 prior to July 2003 into the Law Enforcement Officers' and Fire Fighters' Retirement System(LEOFF) Plan 2.
- A member electing to transfer service credit must pay the difference between the member contributions paid into PERS Plan 2 for the service, and the member contributions that would have been paid into LEOFF Plan 2, plus interest.
- The Department of Fish and Wildlife must pay an amount to ensure that the contribution level to the LEOFF Plan 2 system does not increase due to the service credit transfers.

Hearing Date: 1/25/06

Staff: David Pringle (786-7310).

Background:

The Department of Fish and Wildlife (DFW) was changed from a limited authority law enforcement agency to a general authority law enforcement agency by the 2002 Legislature's enactment of Engrossed Substitute Senate Bill(ESSB) 6076. This permits the DFW to commission officers to enforce all the traffic and criminal laws of the state, much like Washington State Patrol troopers, in addition to the special enforcement powers granted to the DFW Enforcement Officers in the state Wildlife Code. ESSB 6076 specifically excluded DFW Enforcement Officers from membership in the The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).

In 2003, House Bill 1205 was enacted removing the exclusion of DFW Enforcement Officers from membership in LEOFF. This permitted DFW enforcement officers who were members of the Public Employees' Retirement System (PERS) Plan 2 or Plan 3 to join LEOFF Plan 2, but only for purposes of service credit earned after the transfer. The 2003 act specified that service credit

could not be transferred from PERS Plans 2 or 3 to LEOFF Plan 2. DFW Enforcement Officers who were members of PERS Plan 1 were required to remain in PERS Plan 1.

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) work for 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 his or her job.

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. 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.

All employees first employed in LEOFF-eligible positions since 1977 have been enrolled in LEOFF Plan 2, which allows for an unreduced retirement allowance at age 53. LEOFF 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.

There are about 70 DFW enforcement officers that were members of PERS 2 and 3, and since 2003 have been members of LEOFF Plan 2. These 70 members have an average of 10.6 years of service credit in PERS Plan 2, and an average salary of \$55,374.

Summary of Bill:

Department of Fish and Wildlife Enforcement Officers with prior service earned in PERS Plan 2 as an Enforcement Officer have the option to transfer that service into LEOFF Plan 2. An employee electing to transfer such service must pay the difference between the member contributions made to PERS Plan 2, and those that would have been made if the service had been earned in LEOFF Plan 2, plus interest, by no later than June 30, 2011, or his or her date of retirement.

Upon complete payment of the required member contributions, the Department of Retirement Systems must transfer all of the applicable member and employer contributions, plus interest, and all months of service credit in the member account, from PERS Plan 2 to LEOFF Plan 2.

No later than June 30, 2012, the Department of Fish and Wildlife must pay an amount sufficient to ensure that the contribution rates in LEOFF Plan 2 do not increase as a result of an Enforcement Officers' transfer of past service credit from PERS Plan 2 to LEOFF Plan 2.

Appropriation: None.

Fiscal Note: Available.

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