

FINAL BILL REPORT

SSB 5615

C 451 L 05

Synopsis as Enacted

Brief Description: Receiving a disability allowance under the law enforcement officers' and fire fighters' retirement system, plan 2.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Franklin, Delvin, Kohl-Welles, Parlette, Roach, Brown, Schmidt, Berkey, McAuliffe and Oke; by request of LEOFF Plan 2 Retirement Board).

Senate Committee on Ways & Means

House Committee on Appropriations

Background: Members of the Law Enforcement Officers' and Fire Fighters' Retirement System, Plan 2 (LEOFF 2) are eligible for a retirement allowance equal to 2 percent of average final salary for each year of service credit earned at age 53. Members of LEOFF 2 may apply for early retirement beginning at age 50; however, the member's benefit is reduced by 3 percent per year below age 53 if the member has 20 or more years of service, and fully actuarially reduced if the member has less than 20 years of service.

A member of LEOFF 2 who is disabled outside of the line of duty may receive a retirement allowance based on the 2 percent of average final salary formula that is actuarially reduced from age 53 to the age at disability.

A LEOFF 2 member disabled in the line of duty is eligible to receive a base retirement allowance of 10 percent of final average salary, which is not subject to income taxes or to actuarial reduction for early retirement, and an additional allowance of 2 percent per year of service beyond five years that is actuarially reduced for the difference between age 53 and age at retirement. A member of LEOFF 2 who is disabled in the line of duty may request a refund of 150 percent of his or her accumulated contributions in lieu of a disability retirement allowance.

Members of LEOFF 2 are also eligible for job-related disability, medical, and death benefits from the Workers' Compensation System administered by the Department of Labor and Industries.

Summary: A member of LEOFF 2 who is disabled in the line of duty is eligible to receive a basic disability retirement allowance 10 percent of final average salary that is exempt from income taxes and actuarial reduction for early retirement, plus an additional benefit of 2 percent per year of service for each year of service beyond five, which is subject to taxation but not to actuarial reduction for early retirement.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: May 13, 2005