

# SENATE BILL REPORT

## SB 5659

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As Reported by Senate Committee On:  
Ways & Means, February 22, 2017

**Title:** An act relating to the eligibility of emergency medical technicians employed by public hospital districts for membership in the law enforcement officers' and firefighters' retirement system.

**Brief Description:** Addressing the eligibility of emergency medical technicians employed by public hospital districts for membership in the law enforcement officers' and firefighters' retirement system.

**Sponsors:** Senators Bailey, Hawkins, Schoesler and Warnick.

**Brief History:**

**Committee Activity:** Ways & Means: 2/20/17, 2/22/17 [DPS, w/oRec].

**Brief Summary of Substitute Bill**

- Clarifies that an emergency medical technician that is employed by a public hospital district only qualifies for membership in the Law Enforcement Officer and Fire Fighter Retirement System if they were a member of the Public Employees' Retirement System in 2005.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5659 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Billig, Carlyle, Darneille, Fain, Keiser, Miloscia, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Conway and Hasegawa.

**Staff:** Amanda Cecil (786-7460)

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Background:** The Law Enforcement Officers and Fire Fighters' Retirement System (LEOFF) is limited in membership to specific employers 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. Emergency Medical Technicians (EMT) employed by local governments in fire departments are members of LEOFF.

In 2005, Substitute House Bill 1936, an act relating to allowing members of PERS Plans 1 and 2 employed as EMTs to transfer to LEOFF system Plan 2, was enacted. This act expanded the definition of firefighter for purposes of membership in LEOFF 2 to include EMTs that were employed by local health departments or other divisions of local governments. Additionally an EMT transferred to LEOFF 2 with past service earned as an EMT in PERS was given the option of transferring that past service to LEOFF 2. Members opting to transfer service credits were required to 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 employer was required to pay into LEOFF 2 an amount sufficient to ensure that the contribution rates for LEOFF 2 plan did not increase due to the transfer of service.

Political subdivisions, such as Public Hospital Districts (PHDs), may opt in to covering employees in PERS or they can offer privately managed defined contribution plans such as a 401(a) or 457 plan. A similar provision is not provided for political subdivisions employing LEOFF eligible employees.

In 2005, when Substitute House Bill 1936 was enacted, 12 of the 58 PHDs employing EMTs participated in privately managed defined contribution plans rather than PERS. Since the EMTs were not members in PERS, these PHDs did not enroll them in LEOFF 2.

The Department of Retirement Systems (DRS) determined that all full-time EMTs employed by PHDs met the requirements for members in LEOFF irrespective of prior PERS service. In October of 2011, DRS notified the PHDs that they intended to retroactively enroll EMTs employed by PHDs in LEOFF 2 and that PHDs would be required to submit employee and employer contributions from July of 2005 to current.

The PHDs appealed this decision on the grounds that, among other things, DRS had misinterpreted legislative changes. In December of 2015, DRS issued a ruling rejecting these claims.

**Summary of Bill (First Substitute):** An EMT that is employed by a PHD is only considered a firefighter for purposes of determining LEOFF membership if they perform emergency medical services, such as providing medical treatment at the scene of a medical emergency. An EMT that is employed by a public corporation may establish service credit in LEOFF 2 for service as an EMT after July 24, 2005. A member opting to establish service credit must pay the employee contributions that would have been paid if they had been a member of LEOFF 2. If DRS determines that is permitted under state and federal law, the employee contribution can be paid by rollover or trust-to-trust transfer.

A PHD or other public corporation that employed EMTs that are eligible to establish LEOFF 2 service credit must provide a list of those employees to the DRS. DRS must notify affected former employees of the process and cost to establish LEOFF 2 credit.

This act is curative and remedial and is intended to clarify that EMTs can be eligible for membership in LEOFF 2 if the EMT provides emergency medical services. This clarification applies retroactively to July 24, 2005.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):**

- Limits the eligibility of EMTs in LEOFF plan 2 to EMTs that are employed by public corporations to those EMTs that provide emergency medical services, such as providing medical treatments at the scene of a medical emergency.
- Allows an EMT that is employed by a public corporation to establish service credit in LEOFF 2 for service rendered after July 24, 2005.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: This bill would offset large costs on the hospital districts and the employees that would be required to pay contributions. The title of the bill and intent in 2005 related to EMTs that were members of PERS. EMTs employed by PHDs do not do the same type of duties that EMTs at fire departments do.

CON: EMTs that work for hospital districts do the same work that EMTs at fire departments do, so they should be covered.

**Persons Testifying:** PRO: Senator Barbara Bailey, Prime Sponsor; Lisa Thatcher, Association of Public Hospital Districts.

CON: Geoff Simpson, Washington State Council Of Fire Fighters.

**Persons Signed In To Testify But Not Testifying:** No one.