
Appropriations Committee

SSB 5791

Brief Description: Concerning law enforcement officers' and firefighters' retirement system benefits.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Schoesler and Short).

Brief Summary of Substitute Bill

- Provides Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 members with a one-time lump sum equal to \$100 per month of service for retirees and a minimum of \$20,000 for catastrophic and duty disability retirees, and duty death beneficiaries.

Hearing Date: 2/22/22

Staff: David Pringle (786-7310).

Background:

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) provides retirement benefits to full-time, fully-compensated law enforcement officers and firefighters employed by the state, cities, counties, and special districts. Law enforcement officers and firefighters who entered service between 1969 and October 1, 1977, were enrolled in LEOFF Plan 1 (LEOFF 1). Those entering service after that date are part of LEOFF Plan 2 (LEOFF 2).

The LEOFF 1 has been funded by a combination of contributions from three parties-the employers, the employees, and the state. State contributions represent almost 80 percent of historic contributions to LEOFF 1, with the remaining 20 percent having been contributed in even amounts by employees and local government employers. In June 2000, LEOFF 1 contribution rates were suspended as the fund's assets significantly exceed the total actuarial

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liabilities. Based on the 2020 actuarial valuation, LEOFF 1 is 148 percent funded with a surplus of \$1.92 billion, a surplus that is expected to increase substantially in future actuarial valuations, as investment gains exceeded benefit payments by about \$1 billion during fiscal year 2021.

The LEOFF 1 currently has approximately 6,808 annuitants and 10 active members. Of those annuitants, about 2,170 are service retirees, 1,250 left service with disabilities, and 1,700 are survivor beneficiaries.

Summary of Bill:

The LEOFF 1 active members, retirees, and beneficiaries will receive a one-time lump sum benefit equal to \$100 per service credit month. Members and beneficiaries of a member who retired with a line-of-duty disability will receive the greater of a one-time lump sum benefit equal to \$100 per service credit month or \$20,000.

Appropriation: None.

Fiscal Note: Available.

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