

FINAL BILL REPORT

SSB 6197

C 304 L 24

Synopsis as Enacted

Brief Description: Concerning the law enforcement officers' and firefighters' retirement system plan 2.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Holy, Conway, Van De Wege, Fortunato, Hasegawa, Kuderer, Mullet, Nobles and Valdez; by request of LEOFF Plan 2 Retirement Board).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Law Enforcement Officer and Firefighter Retirement System Plan 2. Law Enforcement Officer and Firefighter Retirement System Plan 2 (LEOFF 2) provides retirement benefits to full-time, fully-compensated law enforcement officers and firefighters employed by the state, cities, counties, and special districts, who were first employed in an eligible position on or after October 1, 1977.

Occupational Disease. An occupational disease is a disease that occurred as a natural consequence of distinctive working conditions and where there were no other intervening causes for the disease. Occupational diseases vary by occupation. Examples of disease that could qualify as an occupational disease for law enforcement officers or firefighters include heart problems, certain cancers, and posttraumatic stress disorder (PTSD). A physician must present an opinion that work conditions, on a more-probable-than-not basis—a greater than 50 percent chance—are a cause of the disease or have aggravated a preexisting condition.

Duty and Nonduty Disability If a member of LEOFF 2 becomes disabled as a result of an occupational disease or injury the member is eligible for a duty disability benefit of either a one-time payment equal to 150 percent of the member's eligible retirement contributions or the minimum monthly benefit of at least 10 percent of the member's final average salary. If the disability is catastrophic or so severe it prevents the member from performing gainful activity or employment in any capacity in the future the benefit can be up to 100 percent of the member's final average salary plus health care premiums.

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

If the member's disability is not considered the result of an occupational disease or injury the benefit payment will be calculated based on a 2 percent per service credit year multiplied by the member's final average salary, reduced by a minimum of 3 percent per year until the member reaches age 53.

Special Death Benefit. When a member of LEOFF 2 dies as a result of injuries in the course of employment or as a result of an occupational disease or infection the member's beneficiaries receive a special death benefit. The amount of the special death benefit is updated annually based on the Seattle area Consumer Price Index and is set at \$279,398.54 as of June 30, 2022.

Eligibility for the special death benefit is consistent with Industrial Insurance, which is administered by the Department of Labor and Industries (L&I). The statute of limitations for special death benefits is generally one year in the case of an on the job injury, or two years in the case of an occupational disease.

Pension Overpayments. The Department of Retirement Systems is authorized to correct errors in pension payments at any time. Generally, in the event of an overpayment that is not the result of the employer erroneously reporting that an employee separated from service, the retiree must either repay the overpayment in a lump sum within 90 days of notification or, if they are entitled to a continuing benefit, elect to have that benefit actuarially reduced by an amount equal to the overpayment.

Law Enforcement Officer and Firefighter Retirement System Plan 2 Board Staff. The state civil service law governs the appointment, promotion, transfer, layoff, removal, discipline, and other personnel matters of most state agency employees. State employees exempt from civil service include, elected officials; members and executive staff of boards, commissions and councils; staff of the legislative and judicial branches; assistant attorneys general; agency directors and assistant directors; various job classes in institutions of higher education; officers of the Washington State Patrol; certain executive assistant and confidential secretaries; inmates; students; certain employees at the Department of Commerce administering specified programs; and certain employees at the Consolidated Technology Services Agency.

Generally, the salary and fringe benefits of exempt employees is determined by the Office of Financial Management or must meet the same provisions for classified salary increases resulting from adjustments to the classification plan. The state classification plan is designed to promote effective use of the state's workforce and improve the effectiveness and efficiency of the delivery of services.

The LEOFF 2 Board (board) was created by Initiative 790, and was established as a state agency in July 2003. The 11 member board is comprised of three firefighters, three police officers, three employer representatives and two legislators. One board member must be a

retired participant of LEOFF Plan 2. Board members are appointed by the Governor. Staff of the board are covered by the state civil service law.

Summary: The statute of limitation is eliminated for LEOFF 2 special death benefit claims. L&I must determine eligibility for benefits previously denied for failing to meet the statute of limitations.

Definition of firefighter is expanded to include personnel serving on a full-time, fully compensated basis as an employee of a fire department in positions that necessitate experience as a firefighter to perform the essential functions of those positions.

In the event an overpayment to a member of LEOFF 2 was due to an employer error that was not the result of the member's nondisclosure, fraud, misrepresentation, or other fault, the employer is liable for the resulting overpayment.

A member receiving a nonduty disability benefit, for a PTSD that did not qualify as an occupational disease by L&I at the time the member retired, but is now considered an occupational disease, may reapply for an in the line of duty disability retirement benefit. If approved the member must be paid retroactive benefit to the date that the disabling condition was made eligible as an occupational disease.

The deputy director and research and policy analysts employed by the board are exempt from civil service. The board is provided the authority to establish salaries for these positions in consultation with the Office of Financial Management. The board must consider comparable public sector positions, and provide notice of changes in compensation to the chairs of the fiscal committees of the House of Representatives and the Senate.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 6, 2024
January 1, 2025 (Sections 301 and 302)
July 1, 2025 (Section 202)