



# 2015 Legislative Update

May 27, 2015

# Overview

- **Key Issues**
- **Legislation Passed Affecting LEOFF 2**
- **Legislation Not Passed That Would Have Affected LEOFF 2**
- **Other Pension Legislation**

# Funding & Budget

## Budget Bill

Final budget not yet passed; Governor, House, and Senate each have proposed budgets

- Contribution Rates unchanged in proposed budgets
- Benefit Enhancement Account Payment
  - Governor proposes \$10 million
  - House proposes cancelling 2015 payment
  - Senate proposes cancelling 2015 and 2017 payments

# Legislation Passed Affecting LEOFF 2

## Board Requested Bill

### **Rescinding L&I Remarriage Penalty (HB 1194)**

- Requires LEOFF Plan 2 to assume payment of worker's compensation duty death benefit when surviving spouses remarry
  - Applies retroactively to spouses who remarried prior to effective date
  - Future payments actuarially reduced if surviving spouse took cash out at time of remarriage
  - OSA fiscal note estimated cost of \$2.9 million; may require supplemental rate adoption

# Legislation Not Passed That Would Have Affected LEOFF 2

- Garnishing public pensions to pay for incarceration of public employees (SB 6076)
- Forfeiting public pension if member convicted of a felony connected to their public service (SB 6077)
- Increasing retirement age to 55 (SB 5982)
- Authorizing health care benefit accounts for LEOFF Plan 2 members (SB 6071)
- Requiring all DRS Employers to participate in the state Deferred Compensation Program (HB 5434)

# Other Pension Legislation

## Passed

- **PEBB Request Bill – Endorsed by Board**
  - Technical corrections bill reconciling conflicting amendments (SB 5466)
- **DRS & SCPP Request Bill**
  - Correcting PERS Retiree Return to Work Restrictions (HB 1168)
  - Allowing State Patrol Troopers to purchase an annuity at time of retirement (SB 5210)

# Questions?

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