

**Contact Information**

Contact the **LEOFF Plan 2 Retirement Board** if you have questions or comments regarding possible benefit improvements, LEOFF Plan 2 pension policy, the Board's legislative activities or the status of Board-sponsored bills.

**LEOFF Plan 2 Retirement Board**

P.O. Box 40918  
 Olympia, WA 98504-0918  
**E-mail:** reception@leoff.wa.gov  
**Website:** www.leoff.wa.gov  
**Phone:** (360) 586-2520

For questions regarding your personal retirement account, contact the **Department of Retirement Systems**, which continues to administer the LEOFF 2 plan.

**Department of Retirement Systems**

P.O. Box 48380  
 Olympia, WA 98504 – 8380  
**E-mail:** recep@drs.wa.gov  
**Website:** www.drs.wa.gov  
**Phone:** (360) 664-9700  
**Toll-free:** (800) 547-6657

**2010 Board Meeting Schedule**

Board meetings are open to the public and take place in the Boardroom of the Washington State Investment Board, located at 2100 Evergreen Park Drive SW, Suite 100 in Olympia, Washington from 9:30 am - 3:00 p.m.

- Wednesday, April 28, 2010
- Wednesday, May 26, 2010
- Wednesday, June 16, 2010
- Wednesday, July 28, 2010
- Tuesday, August 17, 2010
- Wednesday, September 22, 2010
- Wednesday, October 27, 2010
- Wednesday, November 17, 2010
- Wednesday, December 15, 2010

For the most up-to-date information, schedules, and maps to our location, please visit [www.leoff.wa.gov](http://www.leoff.wa.gov) and click on the **Board Meetings** link.

**Board Members**

**Law Enforcement Representatives**

- Jack Simington, Vice Chair**  
 Kennewick Police Department
- Ryan Martin**  
 Vancouver Police Department
- Jeff Holy**  
 Retired Law Enforcement

**Fire Fighter Representatives**

- Kelly Fox, Chair**  
 Olympia Fire Department
- Patrick Hepler**  
 Edmonds Fire Department
- Mark Johnston**  
 Vancouver Fire Department

**Employer Representatives**

- Greg Cuoio**  
 City of Lacey
- Darla Hartley**  
 Washington Fire Commissioners Association
- Glenn Olson**  
 Washington Association of Counties

**Legislative Representatives**

- Representative Geoff Simpson**  
 Washington State House of Representatives

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' PLAN 2 RETIREMENT BOARD

# DUAL RESPONSE

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**Our Mission and Priority Goals**

**Our Mission:**

The mission of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board is to responsibly govern the pension plan for the benefit of the members.

**Our Priority Goals for 2006 - 2010:**

- Enhance the benefits for the members.
- Provide the stakeholders with a voice in plan governance.
- Maintain the financial integrity of the plan.
- Inform the stakeholders.

[www.leoff.wa.gov](http://www.leoff.wa.gov)

**Message from the Chair**

**Time to Set the Record Straight**

If you were to believe the numerous headlines or articles written about public employee pension plans (and LEOFF 2 in particular) you might wonder who it is that is receiving these "...overbloated and unsustainable pension benefits." It has been said or implied by more than one elected official, "It's time to face the facts. Our current path is unsustainable, even for heroes." We can honestly and without reservation say that it is not the rank and file members of LEOFF Plan 2 that they can refer to!

According to the LEOFF Plan 2 2008 Actuarial Valuation Report (published in November of 2009) the average annual benefit for the 1,134 retirees and beneficiaries was \$25,489. Certainly not what the anti-public safety crowd tries to convey. We continue to work diligently and carefully to enhance the benefits to the plan for the members while maintaining the financial integrity of the plan.

The National Association of State Retirement Administrators Public Fund Survey for fiscal year 2008,

(published in October 2009) is a summary of findings conducted annually to provide an objective overview of overall plan financing, membership and design within state retirement systems. LEOFF Plan 2 ranked second overall in this year's summary, the first summary following the sharp drop in global investment markets that occurred in 2008. That is an immense credit to the staff of the LEOFF Plan 2 Board, as well as the board members themselves. You can be assured that the health of LEOFF Plan 2 is very strong (due in large part to our success last year in maintaining the full funding of the plan) and we are in no danger of moving in an "unsustainable" direction.

Lastly, we would like to ask all of our LEOFF Plan 2 members to please contact the LEOFF Board office and let us know if your employer has engaged you in the discussion of furloughs. Because furloughs could impact your final average salary, it is important that we are prepared to help you meet the potential challenges this option could bring.

In remembrance of and in dedication to the lives of those who gave the ultimate sacrifice ... Please stay safe.

Kelly Fox, Chair



Kelly Fox

LEOFF Plan 2 Retirement Board  
 P.O. Box 40918  
 Olympia, WA 98504-0918

**DUAL RESPONSE**

## 2010 Legislative Session Update

The 2010 Legislature passed all three bills recommended by the LEOFF Plan 2 Retirement Board. The 2010 Legislative Session began on January 11 and ended March 26, 2010. A Special Legislative Session convened on March 15 to address unfinished business with the budget.

### Duty Related Death Benefits (EHB 2519)—Passed, as Amended by the Senate

The Board has studied a number of improvements to duty-related death benefits over the past five years. Following the deaths of four Lakewood police officers, the Board was asked to recommend improvements for the 2010 legislative session.

This legislation, as passed, does five things:

- Provides survivors of duty-related deaths in LEOFF Plan 2 and WSPRS Plan 2 (State Patrol Plan) with the same choice currently provided to survivors of members with 10 or more years of service (ongoing pension or withdrawal of 150% of accumulated contributions).
- Eliminates the actuarial reduction for the joint and 100% survivor benefit for duty-related deaths in LEOFF Plan 2 and WSPRS Plan 2.
- Provides a 10% minimum pension benefit for duty-related deaths.
- Increases the \$150,000 lump-sum duty-related death benefit to \$214,000 reflecting inflation since 1996 when the benefit was established, and adds an inflationary adjustment for the future.

- Requires state universities and community colleges to waive all “tuition fees and services and activities fees” for children and surviving spouses of any law enforcement officer, fire fighter or state patrol officer who is killed or totally disabled in the line of duty.

An amendment removed a provision that would have allowed surviving spouses of the LEOFF and Washington State Patrol Retirement Systems, who are eligible for death benefits under the Industrial Insurance Act, to continue to receive the monthly benefit for life regardless of whether they remarry. The provision removed also would have allowed surviving spouses who have already had their benefits suspended due to remarriage to have their benefits resume.

### Catastrophic Disability Medical Insurance (SHB 1679)—Passed, as Amended by the Senate

LEOFF Plan 2 and Washington State Patrol Members who suffer catastrophic duty-related disabilities may not be able to afford the cost of continuing their health-care insurance. This bill reimburses members who are catastrophically disabled in the line of duty for the premiums they pay for employer-provided health insurance. Members eligible for Medicare coverage would be required to enroll in Medicare in order to be eligible for reimbursement.

### Service Credit for Shared Leave (SB 6453)—Passed

Many employers have shared leave programs that allow members to donate and receive sick leave or annual leave under certain conditions. Currently, shared leave used by local government employees is not includable in their pension. This legislation allows shared leave to be reported to the Department of Retirement Systems as salary and count for service credit. This change would be prospective, but any shared leave previously reported to DRS would remain creditable if contributions were paid.

For more detailed information regarding any of these bills, please see the Legislation page on the Board’s Web site at [www.leoff.wa.gov](http://www.leoff.wa.gov).

### Contribution Rates (As of September 1, 2009\*)

Member	8.46%
Employer**	5.24%
State	3.38%

\* LEOFF Plan 2 is funded using the Aggregate Cost Method and is 100% funded. The funding policies and contribution rates were adopted by the LEOFF 2 Board and will ensure that LEOFF Plan 2 will remain 100% funded.

\*\* The employer rate shown above does include the Department of Retirement Systems’ (DRS) administrative expense charge, currently 0.16%.

## Online Access to Your Pension Account—Whether it’s 3 a.m. or 3 p.m.

When you want to know more about your pension benefit, you can always call the Department of Retirement Systems (DRS) during office hours to speak with an expert, who will be glad to answer any questions you have. You also have another option for information about your account—go online.

Through DRS’s Defined Benefit Access program, you can see the contributions you’ve made to your LEOFF 2 retirement benefit, take a look at your annual retirement statement (which shows your service credit and other important information), and read news about your pension plan. One of the most popular features enables you to run estimates of your future pension benefit using different retirement dates and compensation amounts.

You’ll find Defined Benefit Access on the DRS home page ([www.drs.wa.gov](http://www.drs.wa.gov)) under “my DRS.”

It’s fast, easy and secure—and available for you to use at any time of the day or night. Why not try it today?

## LEOFF Plan 2 Board Maintains Plan Health

One of the ways to measure the health of a public retirement plan is to look at its funding status. In other words, if the fund has enough money coming in through contributions and earnings to meet its expected current and future pension obligations one could say the plan is 100% funded. Funded status is a spot measure or snap shot of how healthy a plan is at that particular time. It provides trustees of a plan, your Board members, a measure or gauge to determine how well their decisions on your behalf are impacting the financial health of the plan.

After the passage of Initiative 790, establishing the LEOFF Plan 2 Retirement Board, members created a strategic plan for the Board to assure the long-term health and viability of the LEOFF Plan 2. One of the key items identified in the strategic plan was to maintain the financial integrity of the plan by ensuring there were adequate contribution rates to pay for plan benefits. The Board also works to establish contribution rate stability.

Evidence of the Board’s success was provided when LEOFF Plan 2 was recently listed with the second highest funding ratio (as of 6/30/08) in the Public Fund Survey Summary of Findings for Fiscal Year 2008, prepared in October 2009 by Keith Brainard, Research Director for the National Association of State Retirement Administrators.

The Public Fund Survey captures key information from public retirement systems that account for some 85 percent of all public pension assets and participants in the U.S.

Recognition in a national pension fund survey of this kind proves the Board’s foresight and planning have helped the LEOFF Plan 2 Trust Fund weather the recent financial turmoil in a much better fashion than most other public safety pension plans in the country.

The Public Fund Survey is accessible online at [www.publicfundsurvey.org](http://www.publicfundsurvey.org).

## Changes to Your Annual Statement of Benefits

Each of you probably noticed that this edition of the Dual Response newsletter came with something extra—your Annual Statement of Benefits from the Department of Retirement Systems.

Initiative 790 requires that the LEOFF 2 Board provide an Annual Statement of Benefits to members. One of the goals of the Board’s strategic plan has been to inform you about your pension plan and benefits. In past years, your Annual Statement of Benefits was sent to your employer for distribution. This year, working with the Department of Retirement Systems, your Annual Statement of Benefits comes directly to you with the Dual Response newsletter providing all the information about the Board’s work and your individual retirement account together.

In the coming year, the Board will continue to work with the Department of Retirement Systems to further improve your Annual Statement of Benefits, making it even more informative and useful.