

CONTACT INFORMATION

For questions or comments regarding possible benefit improvements, please contact your affiliated association or local labor representative.

The LEOFF Plan 2 Retirement Board

will gladly assist you in answering questions regarding LEOFF Plan 2 pension policy, the board's legislative activities or the status of board-sponsored bills.

P.O. Box 40918
Olympia, WA 98504-0918
(360) 586-2320
www.leoff.wa.gov

The Department of Retirement Systems

administers LEOFF Plan 2 and can assist with individual account information.

P.O. Box 48380
Olympia, WA 98504-8380
(360) 664-7000 or (800) 547-6657
www.dr.s.wa.gov

BOARD MEETINGS

Board meetings are open to the public and take place in the Washington State Investment Board's large conference room located at 2100 Evergreen Park Drive SW, Suite 100 in Olympia, WA. They are held on the fourth Wednesday of each month from 9:30 a.m. to 3:00 p.m. unless otherwise noted.

For up-to-date Board meeting information, visit www.leoff.wa.gov.



JULY 2015

DUAL RESPONSE

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

NCPERS Family Protection Plus Plan

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement System is pleased to announce a new member benefit. Beginning August 1, 2015, active members may participate in the National Conference on Public Employee Retirement Systems (NCPERS) Family Protection Plus Plan. Retired members also have a one-time opportunity to enroll in the plan. This plan, designed as a supplement to your retirement benefits, has been offered to public retirement plan participants for over 45 years and currently insures more than 100,000 public employee retirement system members nationwide.



The plan is decreasing term life insurance, which means the monthly premium remains level over time while the benefits decrease with age. This unique design provides younger participants, who have the greatest need and lowest accrued retirement benefits, with the greatest financial protection. It provides older or retired participants the advantage of additional life insurance protection.

It offers two monthly premium options, depending on the coverage you need: \$10 a month (about 33 cents a day) or \$17 a month (about 56 cents a day). The following outlines the available coverages for each option:

Coverages included in this plan	\$10 monthly premium	\$17 monthly premium
Term Life Insurance for members	\$147,000 to \$2,000 depending on age	\$225,000 to \$3,000 depending on age
Accidental Death & Dismemberment (AD&D) Insurance for members	\$60,000 to \$2,000 depending on age	\$100,000 to \$3,000 depending on age
Term Life Insurance for spouses or domestic partners	\$13,000 to \$1,200 depending on member's age	\$20,000 to \$2,000 depending on member's age
Term Life Insurance for child(ren) ages 14 days to year 21	\$2,600	\$4,000

If you opt for the \$17 premium option, you can create a simple will at no cost and purchase a living will/power of attorney for \$19.99.* We'll provide you with a web ID to access this feature when you enroll. And no matter which premium option you choose, the plan is guaranteed issue, so you don't have to provide proof of good health.

This important new benefit has many other attractive features you can learn about by visiting www.ncpersfamilyprotection.com. Enroll electronically using a secure enrollment "log on" on the website. Paper enrollment is also available upon request.

Open enrollment is from August 1 to September 30, 2015. The plan is issued by The Prudential Insurance Company America.

*The Estate Guidance service is an optional service provided by ComPsych® Corporation. Prudential is not responsible for the services provided by ComPsych Corporation, but helps coordinate billing for this service with its premium billing.

This AD&D policy provides ACCIDENT insurance only. It does NOT provide basic hospital, basic medical, or major medical insurance as defined by the New York State Department of Financial Services.

IMPORTANT NOTICE—THIS POLICY DOES NOT PROVIDE COVERAGE FOR SICKNESS.

Group Decreasing Term Life, Dependent Group Decreasing Term Life, and Accidental Death & Dismemberment Insurance coverages are issued by The Prudential Insurance Company of America, a Prudential Financial company, 751 Broad Street, Newark, NJ 07102. The Booklet-Certificate contains all details, including any policy exclusions, limitations, and restrictions, which may apply. Contract Series: 83500.

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DUAL RESPONSE



P.O. Box 40918
Olympia, WA 98504-0918

BOARD OF TRUSTEES

Fire Fighter Representatives

Kelly Fox, Chair
Olympia Fire Department

Mark Johnston
Vancouver Fire Department

Michael White
Valley Regional Fire Authority

Law Enforcement Representatives

Vacant

Rep. Jeff Holy
Spokane Police Department (Ret)

Wally Loucks
Spokane County Sheriff's Office

Employer Representatives

Paul Golnik
WA Fire Commissioners Association

David Cline
City of Tukwila

Dave Upthegrove
King County

Legislative Representatives

Sen. Judy Warnick
WA State Senator

Rep. Kevin Van De Wege
WA State Representative



TWEET US!
[@LEOFF2Board](https://twitter.com/LEOFF2Board)

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LEGISLATIVE UPDATE

PLAN FUNDING ISSUES

Contribution Rates – Board's Rates Fully Funded

The LEOFF Plan 2 Board voted to maintain the existing contribution rates, 8.41% members, 5.05% employer, and 3.36% state, through the 2015-2017 biennium. The budget passed by the legislature and signed by the Governor fully funds those rates.

Benefit Improvement Account

Legislation in 2008 promised a payment stream from the State into the LEOFF Plan 2 Benefit Improvement Account when the State revenues grew by more than 5% from the preceding biennium. The first payment of \$5 million was due in September, 2013 but was not funded by the legislature. An additional payment of \$10 million is due in September 2015.

The budget passed by the legislature and signed by Governor Inslee transfers \$15.779 million from the LEOFF Plan 2 retirement account into the LEOFF Plan 2 Benefit Improvement Account. That is equal to \$5 million plus 7.5% interest compounded annually for the 2013 payment and \$10 million for the 2015 payment.

No changes were made to future scheduled payments into the Benefit improvement Account. The next payment is scheduled for September 2017.

LEGISLATION PASSED

L&I Remarriage Penalty for Surviving Spouses Rescinded – SHB 1194

Surviving spouses of LEOFF Plan 2 members killed in the line of duty receive a monthly benefit from Labor and Industries (L&I). Under prior law, this benefit ended upon remarriage.

HB 1194 requires LEOFF Plan 2 to assume the L&I survivor benefit if the surviving spouse of a member remarries. LEOFF Plan 2 will also pay a benefit to surviving spouses whose benefits were previously suspended due to remarriage. The bill extends the same benefit to survivors of the Washington State Patrol Retirement System from their trust.

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 2011 - 2015:

- 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.



MESSAGE FROM THE CHAIR

Members who are called up in either the Reserves or National Guard to respond to natural disasters, such as the March 2014 mudslide in Oso, or the August 2012 and July 2014 wildfires in Chelan, are not eligible for the same death and disability benefits as National Guardsman or Reservists who are called up for military service in a time of war. Although no member was injured or killed while responding to those natural disasters, it still exposed a gap in coverage that the Board is going to be looking into closing this interim.



KELLY FOX

ALERT - PENSION ADVANCE COMPANIES AGGRESSIVELY TARGETING WASHINGTON GOVERNMENT AND MILITARY RETIREES

Washington state government and military retirees have been targeted by salespeople and advertising from pension advance companies offering immediate lump sum loans in exchange for future pension payments.

Retirees who sign over the rights to their pensions will receive reduced pension payments for upwards of many years while paying back the money they borrowed.

The fees and transaction costs may be prohibitive, and the lump sum may be taxable. Additionally, some pension advance companies require the purchase of a life insurance policy so they can collect any money still owing after the retiree's death.

It's important to be aware that some salespeople can be aggressive or persuasive when trying to get retirees to sell the rights to their future pension benefits and, in some cases, there may be outright fraud. Retirees are advised to consult with an attorney or financial planner and carefully read the contract before signing.

The Washington State Department of Financial Institutions (DFI) is actively seeking out individuals who have signed up for such pension advances and would like to identify entities offering this product to Washington state retirees to ensure that the proper protections are being afforded our retirees. Learn more on the DFI website.

The US Securities and Exchange Commission (SEC) has issued an Investor Bulletin for consumers regarding pension income streams. Read the bulletin to learn more.

If you have questions about any of your pension benefits, please contact the Department of Retirement Systems (DRS) directly at 360-664-7000 or toll-free at 800-547-6657. TTY users dial 711 for the Washington Relay Service. Or go online at www.drs.wa.gov and log in/sign up for your online account information.

DON'T TAX OUR FALLEN PUBLIC SAFETY HEROES ACT

Recent federal legislation amends the Internal Revenue Code to exclude from gross income, for income tax purposes, amounts paid: (1) by the Bureau of Justice Assistance of the Department of Justice as a public safety officer survivor's benefit or a public safety officer disability benefit, or (2) under a state program that provides compensation for surviving dependents of a public safety officer who has died as the direct and proximate result of a personal injury sustained in the line of duty.

The tax exclusion does not apply to any amounts that would have been payable if the death of the public safety officer had occurred other than as the direct and proximate result of a personal injury sustained in the line of duty.

RETIRE WITH EASY ONLINE APPLICATION

"It was wonderful. The online application was very easy."
"Clean, simple, easy to navigate. The forms were a breeze."
"Easiest online process I've ever encountered."

Those are just a small sample of comments from the Department of Retirement Systems (DRS) customers who have completed their retirement with DRS' Online Retirement Application (ORA). If you are nearing retirement and would like the ease of retiring without even leaving home, consider taking advantage of ORA.

Here are some of the features that will help make the online retirement process as convenient as possible for you:

- A customized, personal experience based on your retirement system and plan.
- Retirement planning information and tools.
- A list of everything you need before you retire online.
- Lots of access to assistance either through the help text, email or phone.

Access ORA by logging in to Your Retirement Account on the DRS home page. Once you've logged in (or signed up), simply click the "Apply for Retirement" link on the left side of the page.