

# DUAL RESPONSE

## Message from the Chair (continued)

answer specific questions about your individual retirement needs, but they can provide you all of the relevant statutes and codes so that you can make an educated decision.

On a final note, I must express my frustration over the lack of response to the initial survey that was included in the first edition. Of the 14,876 copies that were delivered to your mailboxes, only 313 were returned! Our thanks go to the 313 members who responded, but to the rest of you...do you want 2% of the membership to set the tone and create the LEOFF Plan 2 agenda for you? We can't help you if you won't contribute your thoughts and ideas to the Board.

Be a part of something important – particularly important to you and your family! Each of us has something to contribute and our expectation is that you want to and that you will. So don't let us down, don't let your brother and sister law enforcement officers, fire fighters and paramedics down, and don't let yourself down. It is *your* pension plan, *your* benefits and *your* future.

Faternally,  
Kelly Fox, Chair  
LEOFF Plan 2 Retirement Board

## Board Meetings & 2005 Schedule

The LEOFF Plan 2 Retirement Board conducts its business in an open and transparent manner with all meetings open to the public. Members and the public are welcome and encouraged to attend.

Agendas for Board meetings are posted to the Web site about one week before the meeting date and meeting materials are posted generally two to three days before the meeting date.

Board meetings typically run from 9:30 a.m. - 3:00 p.m., take place in the boardroom of the Washington State Investment Board located at: 2100 Evergreen Park Dr. S.W. in Olympia, and occur monthly.

### 2005 Board meeting schedule:

- Thursday, June 23, 2005
- Wednesday, July 27, 2005
- Wednesday, August 24, 2005
- Wednesday, September 28, 2005
- Wednesday, October 26, 2005
- Wednesday, November 16, 2005\*
- Thursday, December 8, 2005

\* Meeting to be held at 206-10th Ave. in Olympia

Be sure to check the "Board Meetings" page on our Web site at [www.leoff.wa.gov](http://www.leoff.wa.gov) for the most up-to-date information and schedules, or to access materials from past meetings.

## Board Members

### Law Enforcement Representatives

**Jack Simington, Vice Chair**  
Kennewick Police Department

**Michael Edwards**  
Seattle Police Department

**Doug Pendergrass**  
Snohomish County Sheriff's Office

### Fire Fighter Representatives

**Kelly Fox, Chair**  
Olympia Fire Department

**Pat Hepler**  
Edmonds Fire Department

**Mark Johnston**  
Vancouver Fire Department

### Employer Representatives

**Doug Cochran**  
Yakima County

**Maureen Morris**  
Washington State  
Association of Counties

**David Moseley**  
City of Federal Way

### Legislative Representatives

**Senator Linda Evans Parlette**  
Washington State Senate

**Representative Geoff Simpson**  
Washington State  
House of Representatives

## Survey Results Indicate Need for Member Education

In the last edition of *Dual Response*, we asked for your input on a variety of pension-related issues.

The survey was designed to determine how well conducting surveys through the newsletter would work for collecting information about our membership and to measure how familiar members are with their LEOFF Plan 2 benefits.

Although the response rate was low, one theme was clear. Respondents who had requested an estimate of benefits or completed an online calculation, reviewed

a member handbook, or attended a retirement planning seminar were more familiar with their pension benefits.

You are encouraged to visit the Department of Retirement Systems' (DRS) Web site at [www.drswa.gov](http://www.drswa.gov) and access the many retirement planning resources offered. (To learn more about these resources, see the "Who Should I Contact with Questions/Comments?" article inside).

To view the full Survey Results Report, you can access it on the

*You are a member of the Washington State Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 retirement plan if you were hired on or after October 1, 1977 and are a full-time, fully compensated law enforcement officer or fire fighter.*

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

Board's Web site at [www.leoff.wa.gov](http://www.leoff.wa.gov), and link to the "April 27, 2005 Board Meeting Materials."

## Message from the Chair



Kelly Fox

Welcome to the second edition of *Dual Response*. We are proud of this publication. For the first time in the history of LEOFF Plan 2, the members have a bulletin that is dedicated solely to law enforcement and fire members of the pension plan. Whenever possible, please thank the staff members of the LEOFF Plan 2 Board for their hard work and commitment to providing service to all plan participants. This publication, though only a small piece of what they do, certainly reflects the quality of their work.

A major component of *Dual Response* is the opportunity to convey an educational element of your pension plan. If it were not for the efforts of a few plan members who educated themselves to the limitations of LEOFF Plan 2, we would not be where we are today. Where might that be, you ask? How about our own pension policy board

with representatives of law enforcement and fire members, employers and elected officials, all serving with member needs in mind. (I might remind plan members that each representative serves on their own time, with no compensation from the plan.)

We are presiding over a pension plan that has experienced a great deal of success over the two legislative sessions of its existence, with minimal impact on the total contribution rates for the benefits we have obtained. (See "2005 Legislative Update" article inside).

In previous years, you had to examine the numerous publications of the organizations and/or associations representing fire and law enforcement, and possibly the Department of Retirement Systems' newsletter, to find the most recent changes to the pension plan. Now all you need to do is watch for this publication to get the latest on pension plan developments (not to take anything away from the wonderful

periodicals from law enforcement and fire groups!). At the same time, we are utilizing this new tool to explain the plan in a way that makes it easier for plan participants to ask the right questions and receive appropriate explanations. Educating our plan members is much too important an objective to lose any more time in accomplishing.

Equally important and in conjunction with education, is the need for our plan membership to recognize the value of retirement planning. How many of us bemoan the fact that we waited far too long to begin planning for our retirement? There are now many tools available to plan participants to begin the task of plan-

ning for their retirement from the law enforcement or fire services. Keeping up with the changes and improvements to LEOFF Plan 2 benefits is a challenge that the LEOFF Plan 2 Board staff is eager to undertake. The staff cannot (continued on back)

**"In previous years, you had to examine the numerous publications...to find the most recent changes to the pension plan. Now all you need to do is watch for this publication."**

What's New on the Web Site?

Search for Board materials by subject on our new "Board Studies" Web page! Visit [www.leoff.wa.gov](http://www.leoff.wa.gov) to check it out.

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

DUAL RESPONSE

# 2005 Legislative Update from the Executive Director

It is my privilege to provide you with a recap of the 2005 legislative session and let you know what the Board plans to work on during the 2005 interim between legislative sessions.

The Legislature showed strong support for the members of LEOFF Plan 2 during the recent legislative session. The Board recommended four bills to the 2005 Legislature to improve your pension benefits and all of them passed with unanimous votes. Wherever you live in the State of Washington, you can call your legislators and thank them for their support.

Below is a description of what each bill passed means to you as a member of LEOFF Plan 2:

## Duty Disability Benefits — Substitute Senate Bill 5615

LEOFF Plan 2 members who become disabled in the line of duty and whose injuries prevent them from continuing their career as a law enforcement officer or fire fighter will no longer have their pension reduced for “early retirement” if they are younger than age 53. Members will instead receive the full pension benefit they earned prior to becoming disabled. For example, a member with 15 years of service will receive 30% of their average final salary to supplement their income from their new non-LEOFF career.

The original duty disability bill recommended by the LEOFF Plan 2 Board also included a provision which created a 70% benefit in the case of total disability to cover those law enforcement officers and fire fighters who suffer the type of catastrophic injury that leaves them unable to pursue any financially significant employment for the rest of their lives. The total disability provision was removed from the bill by the Legislature because of concerns about how the proposed total disability benefit would work in conjunction with the total disability benefit available to LEOFF Plan 2 members through worker’s compensation. The Board will follow-up on those concerns during the 2005 interim and may recommend a new total disability proposal next session.

## Purchase of Service Credit — House Bill 1269

This benefit allows a LEOFF Plan 2 member to purchase up to five years of service credit at the time of retirement, beginning on July 1, 2006. A member’s deferred compensation assets can be rolled over tax-free to purchase the credit. This will be a useful retirement planning tool, for those who would like to use their deferred compensation account to improve their LEOFF Plan 2 pension.

The cost of purchasing this service credit is expensive because the member pays the full value of the increase to their pension. It could cost over \$80,000 to purchase all five years depending on a person’s age and salary when they retire. At the time of retirement, members have the option to buy any amount of service up to five years, or not to buy any service at all.

## Career Change — House Bill 1270

A LEOFF Plan 2 member can now choose to receive their LEOFF Plan 2 pension or earn a new pension if they go to work in another public service job after retiring from LEOFF Plan 2. This legislation gives new choices to a person who moves from a law enforcement or fire fighting career covered under LEOFF Plan 2 to a job covered by one of the state’s other public pension plans.

For example, a LEOFF Plan 2 member who retires at age 53, and then works in a courtroom security or arson investigator job covered by the Public Employees’ Retirement System (PERS) until they are 65, could earn a PERS pension for those 12 years. Or, the member could choose to receive their LEOFF Plan 2 pension while working in a PERS-covered job instead of earning a second pension.

## Military Service — House Bill 1325

This bill provides members whose career is interrupted by a call to active duty military service with the option to receive LEOFF Plan 2 service credit for their military time, even if they are injured or killed and can not return to their LEOFF-covered job.

## Contribution Rate Stability Plan

The LEOFF Plan 2 Board adopted a four-year plan to return employer, state and member contribution rates to the level they need to be at to adequately fund LEOFF Plan 2. Under the plan adopted by the Board, the current member rate of 5.09% will increase to 6.75% in July 2005; 6.99% in September 2005; 7.79% in July 2006; 8.27% in July 2007; and 8.73% in July 2008.

The rates above include a slight increase as a result of the recent passage of the Board’s duty disability bill and House Bill 1936, which moved some King County Emergency Medical Technicians into LEOFF 2. The contribution rates for employers and the state will also increase at the same time as the member rates.

The rate stability plan includes a minimum contribution rate floor, so if there are better-than-expected investment gains for the retirement fund in the future, those gains will be left in the plan.

*(continued on following page)*

## Who Should I Contact with Questions/Comments?

Many of you may have questions and comments about LEOFF Plan 2 and want to know who would be best to contact. Below is contact information and brief descriptions of organizations that are involved with your pension plan and can assist you.

**LEOFF Plan 2 Retirement Board** — is your board. Created in 2002 by the passage of Initiative 790 and designed to give members a voice in the policy decisions affecting the LEOFF Plan 2 retirement plan.

Members who have questions or comments in regard to possible benefit improvements, LEOFF Plan 2 pension policy, the Board’s legislative activities or the status of Board sponsored bills, are urged to contact the LEOFF Plan 2 Retirement Board. Members may contact the Board by phone, letter or e-mail, using the following contact information:

LEOFF Plan 2 Retirement Board  
P.O. Box 40918  
Olympia, Washington 98504- 0918  
Web site: [www.leoff.wa.gov](http://www.leoff.wa.gov)  
E-mail: [reception@leoff.wa.gov](mailto:reception@leoff.wa.gov)  
Phone: (360) 586-2320

**Department of Retirement Systems (DRS)** — manages the day-to-day administration of LEOFF Plan 2. The DRS Web site provides online access to a variety of retirement planning resources. Go to [www.drs.wa.gov](http://www.drs.wa.gov), where you can easily:

- Access your **individual retirement account information**, such as your service credit, employment history and account balance. Click on the “Online Access to your Defined Benefit Account” link on the DRS home page and follow the instructions.
- Prepare an **Online Estimate** of your pension benefits, using various factors and scenarios.
- Review a copy of the LEOFF Plan 2 **Member Handbook** and other LEOFF Plan 2 **Publications** and **Brochures**.
- Schedule attendance for you and your spouse at an upcoming **Retirement Planning Seminar**.
- Access **Beneficiary Forms** and various other LEOFF Plan 2 **Forms**.

Members with questions regarding the administration of the plan or in need of assistance with their individual account are encouraged to contact DRS using the following contact information:

Department of Retirement Systems  
Web site: [www.drs.wa.gov](http://www.drs.wa.gov)  
Toll-free: (800) 547-6657  
Inside Olympia: (360) 664-7000

**Washington State Legislature** — is responsible for every change to the laws governing LEOFF Plan 2.

Members may access the Legislative Web site or call the Legislative Hotline to find their legislators, gather information on specific bills, search the Revised Code and Administrative Code of Washington, voice opinions or express support for Board bills or any other legislation. Please use the following contact information to access the Legislature:

Washington State Legislature  
Web site: [www.leg.wa.gov](http://www.leg.wa.gov)  
Legislative Hotline: (800) 562-6000

**Your Employer** — often times may provide you information on your pension plan.

**Your Labor Organizations** — have representatives on the Board. Members should contact their labor organization with their benefit improvement ideas.

*(continued)*

The Board has the authority to adopt contribution rates for LEOFF Plan 2 so legislation was not necessary to adopt the four-year rate plan. Neither the Legislature nor the Governor made any changes to the Board’s Contribution Rate Stability Plan during the 2005 legislative session.

## 2005 Board Activities

The Board will be hard at work during the 2005 legislative interim studying a number of pension issues that have been frequently suggested by LEOFF 2 members. Topics planned for Board study this interim include:

- Providing all LEOFF Plan 2 retirees with access to medical coverage
- Increasing the 2% multiplier
- Reducing the cost of providing survivor benefits
- Shortening the final average salary period from five years
- Lowering the normal retirement age from 53

The goal of these studies is to identify the issues surrounding the proposed benefit improvements so that information can be conveyed to LEOFF Plan 2 members through the Board’s Web site and future newsletters. In this way, it is hoped that the Board, individual plan members, the organizations who represent plan members and employers can all evaluate and prioritize benefit proposals with a full understanding of the cost, policy issues and available alternatives.

Gathering information on each of these topics, particularly their costs, will be a significant accomplishment in and of itself, even if none of the studies result in Board proposals for 2006 legislation. You can track the progress of these studies throughout the year on the Board’s Web site at [www.leoff.wa.gov](http://www.leoff.wa.gov).

Watch for the next edition of this publication to arrive in your mailbox toward the beginning of the 2006 legislative session in January. At that time, I will update you on the status of the Board’s studies and what legislation the Board will recommend to the 2006 Legislature for their consideration.

Sincerely,  
Steve Nelsen, Executive Director  
LEOFF Plan 2 Retirement Board